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President: Mr. SCHEYVEN (Belgium).

AGENDA ITEM 8

Reports of the Governing Council of the United Nations Development Programme (E/4609, E/4663, E/4706):

- (a) United Nations Development Programme
- (b) United Nations Capital Development Fund
- (c) Technical co-operation activities undertaken by the Secretary-General (*continued*)

1. Mr. ALLEN (United Kingdom) said that the statement submitted by the Administrator of UNDP to the Governing Council at its eighth session¹ demonstrated both a laudable capacity for self-criticism and the imagination needed to meet the demands of the 1970s. The most significant proposal made in that statement was that a small proportion of programme funds should be devoted to basic agricultural research wherever there was a promise of improving nutrition, using *inter alia* research organizations outside the United Nations system. The proposal had the support of FAO, and his delegation welcomed the decision of the Governing Council (E/4706, para. 191 (b)) authorizing the Administrator to submit such projects in future programmes.

2. The Administrator fully realized the importance of ensuring that preinvestment projects led to investment; preinvestment studies must be designed to yield results more promptly, in a form which gave potential investors the information necessary for their decisions. Potential investors, whether private individuals, national firms, Governments or international organizations, must be associated with such projects from the outset and be consulted on their design and methods. They also needed prompt access to the reports prepared; Governments desiring UNDP assistance in obtaining investment should co-operate in forwarding the results of the preinvestment study to the potential investor as quickly as possible.

3. The proposal to devote more assistance to local banks, savings societies and credit unions in mobilizing domestic

capital was extremely welcome. The task would be of vital importance to the success of the Second Development Decade, and he believed that the developing countries would be eager to take advantage of such assistance. In an endeavour to make better use of the Revolving Fund, the Administrator had been authorized to undertake special short-term investment feasibility studies; the fund was to be increased from \$8.5 million to \$12 million and administered as a single unified fund (E/4706, para. 245). Those measures would enhance the efficiency of the programme in general.

4. The Council was well aware of the need to improve the co-ordination of aid from different sources, in order to provide countries with an integrated programme of external assistance. The UNDP proposal in that connexion opened the door to co-ordination not only among international sources of assistance, but also with bilateral sources. Any such measure was subject to the consent of the Governments concerned, but it was an important step in the right direction. The proposed new arrangements for regional and inter-regional technical assistance projects were in the interests of Governments, and his delegation would support the draft resolution set forth in annex III to document E/4706.

5. It was to be hoped that the UNDP Capacity Study would provide a blueprint for the organization needed to attain the objectives of the Second Development Decade. His delegation welcomed the Governing Council's decision to give prompt attention to the final report of the Commissioner for the Capacity Study (E/4706, para. 214 (c)), and supported the suggestion made by the French delegation to the Governing Council that the report should first be circulated in the original language only, in order to give Governments extra time to study it and to prepare for the discussion. He hoped that the Governing Council and the specialized agencies would be in a position to submit concerted proposals for action on the study to the Council at its forty-ninth session, so that the Council, in its turn, might make recommendations to the General Assembly at its twenty-fifth session.

6. The United Kingdom was a firm supporter of the regular programme of technical assistance, and welcomed the draft resolution submitted by the Governing Council (E/4706, para. 305 (d)). As to the arrangements for approval and review of the regular programme, his delegation supported the proposals made by the Secretary-General to the Governing Council at its seventh session.²

¹ Document DP/L.108.

² See *Official Records of the Economic and Social Council, Forty-seventh Session, E/4609, para. 177.*

7. With regard to the proposal to create an international corps of volunteers (see E/4663), negotiations were in progress with a view to the preparation of a draft resolution.

8. Mr. VAKIL (Observer for Iran), speaking under rule 75 of the rules of procedure, said that youth in the developing countries was the largest source of manpower and the most dynamic factor for change. His Government believed that volunteer service afforded an excellent opportunity for young people to make a positive contribution to economic and social progress.

9. During the past five years, over 15,000 young people had participated in nation-building projects in Iran. Under the dynamic leadership of the Shahinshah, the Government of Iran had set up a literacy corps, a health corps, an agricultural extension and development corps and a women's corps. After six months' professional training, participants spent eighteen months as teachers in rural schools, medical aides in remote villages, agricultural extension workers or community development assistants. The programme was of immediate benefit to the villagers, acquainted educated people with the tasks of development, and gave the young volunteers a sense of dedication and an enthusiasm for the promotion of progress and prosperity.

10. The success of the programme had led the Shahinshah to propose in 1968 the establishment of an international corps of volunteers for development, and the General Assembly, at its twenty-third session, had unanimously adopted resolution 2460 (XXIII) requesting the Council to study the feasibility of the idea. The background information supplied by the Secretary-General (E/4663) would greatly facilitate the Council's task; he drew attention, in particular, to the comments made by the special rapporteurs to the Commission for Social Development (E/4663, annex, C.1, paras. 84 and 85).

11. His Government believed that the effectiveness of such volunteers would be greatly enhanced if they were united in an international corps under the United Nations flag. The objectives of the corps should be to strengthen the development effort by extending the range of assistance provided by senior experts, and to tap the reservoirs of energy and talent of youth. Such an international corps would offset the reluctance of some countries to accept too many volunteers from any one country, would provide an opportunity for participation by volunteers from developing countries, and would facilitate the exchange of experience on a people-to-people basis. As a partnership between developed and developing countries involving both international and local personnel, it would promote both development and international understanding. It would be entirely in keeping with the purposes of the United Nations and of UNDP, and the idea of volunteer service had the approval both of the Secretary-General and of the Administrator.

12. Without replacing experts, volunteers would help to bridge the communications gap between those providing

and those receiving aid; the experience of FAO, which had used volunteers for the past five years, was a valuable guide. As his Government saw the scheme, the volunteers would serve without regard to financial gain; the corps would be open to volunteers from all parts of the world who possessed the necessary qualifications. They would aid specialists in all fields of activity in which they were considered necessary by the requesting Governments and UNDP experts, and would work in conjunction with local counterpart officials. Candidates would be nominated by Governments and non-governmental organizations, and individuals would be free to apply.

13. It was to be hoped that funds could be obtained from the same broad range of sources. His Government believed that the most suitable means of financing the corps would be a trust fund administered by UNDP. Recipient Governments would be expected to participate in meeting the local costs of the volunteers, which might be credited as counterpart contributions to UNDP; where a Government could not do so, local costs should be covered by the trust fund in order that all countries might benefit equally.

14. The services of volunteers should be used only in development programmes and projects certified as eligible by the executing agencies of the United Nations system; volunteers should not fill established posts at the Headquarters of the United Nations or its agencies. No volunteer should be sent to a country without its approval, or remain without its permission. The final decision regarding the number of volunteers and their assignment to specific programmes or projects would rest with the executing agency and the recipient country. It was desirable that volunteer personnel should acquire the legal status of international civil servants by taking a United Nations oath of office.

15. His Government wished to avoid creating unnecessary and expensive structures, and therefore favoured a simple and flexible working arrangement: the volunteer corps and the trust fund should be administered by UNDP.

16. The United Nations could appear in the eyes of youth either as part of a tired establishment or as a revolutionary instrument in the search for global partnership. As one step towards the second alternative, his delegation hoped that the Council would take action on the General Assembly resolution.

17. Mr. AKSIN (Turkey) said that the reports submitted showed the efficiency of the Governing Council's work and the dynamic nature of UNDP's response to the changing and expanding needs of the developing countries. Even before the results of the Capacity Study were available, UNDP was broadening its activities and streamlining its operations. In particular, the improved reporting procedures, the new arrangements for the Revolving Fund, the introduction of short-term feasibility studies, the new measures for training counterpart personnel and the emphasis on an integrated regional approach would make for better use of the limited resources available and increase UNDP's effectiveness.

18. His delegation hoped that the proposed investments in basic agricultural research, which would necessarily mean a reduction in direct technical assistance, would be made only when there was a reasonable certainty of immediate tangible benefits to the developing countries. He was glad that UNDP was henceforth to administer the Special Fund for Population Activities (E/4706, para. 95); it would thus be able to render valuable aid in family planning, and he hoped that Member States would contribute generously to that fund. It would also be desirable for UNDP to expand its activities in connexion with tourism, where judicious investment could lead to a rapid increase in foreign currency earnings. His delegation looked forward to learning the conclusions of the Capacity Study and the ensuing decisions of the Governing Council.

19. There were a number of delays in the execution of Special Fund projects. First, there was a delay between the submission of a request to the Administration and its approval by the Governing Council; it was to be hoped that the backlog of such requests could be reduced. After approval of a request by the Governing Council, delays often arose from the failure of the participating agencies to agree on their respective roles and jurisdictions, and from the difficulty of recruiting suitable experts. The latter task was not an easy one, but recruiting unsuitable experts was no solution.

20. His delegation supported the draft resolutions submitted by the Governing Council in paragraph 305 (d) of, and annex III to, the report of its eighth session (E/4706).

21. Turkey had voted in favour of General Assembly resolution 2186 (XXI) establishing the United Nations Capital Development Fund; it was somewhat discouraged that the only result of efforts to implement that resolution was to be a token exchange of equipment among the developing countries themselves, rather than the financing of capital investment projects by a substantial flow of funds from the developed to the developing countries.

22. His delegation had listened with interest to the statement made by the representative of Iran; it welcomed the initiative taken by the Shahinshah with a view to the establishment of an international corps of volunteers.

23. Mr. ROUAMBA (Upper Volta) said that UNDP had already rendered great services to the developing countries and would no doubt continue to do so. The funds allotted to UNDP were not always commensurate with the importance of the projects to be covered, but the efficiency of its field work and of its administrative staff had won it the sympathy of all the developing countries and of many developed countries. Developing countries sometimes took a diffident view of bilateral aid and other types of multilateral aid, but they had no misgivings about UNDP.

24. His delegation noted with satisfaction the steps taken by the Administrator of UNDP to bring the Capital Development Fund into operation, and hoped those efforts would continue until the fund was fully effective. It was

regrettable that the developed countries had shown some mistrust of the fund and reluctance to contribute to it. The Administrator should explore other possibilities of utilizing the existing and future resources of the fund and should consult international financial institutions, particularly the regional development banks. He appealed to all Member States, whether developed or developing, to make every effort to supply the fund with the resources it required, in cash or in kind, to meet the aspirations of the developing peoples. As the Turkish representative had suggested, the purpose of General Assembly resolution 2186 (XXI) had to some extent miscarried; it was to be hoped that that situation would soon be remedied.

25. Although the Special Fund and Technical Assistance components had been under a single management for some years, problems of co-ordination still persisted. Every effort should be made to ensure that the work of UNDP was not hampered by bureaucratic rigidity. There was also a danger that UNDP might be loaded beyond its capacity; it might be advisable to impose a limit to its work load so as to ensure that unwieldiness of size did not prevent rapid action for development.

26. With respect to the study on the problem of personnel training, his delegation agreed with the Administrator that measures should be taken to improve the training activities of both components of UNDP. To that end the number of fellowships for counterpart personnel should be increased considerably and every effort should be made to ensure that fellowship study took place at local or regional establishments.

27. His delegation noted with particular satisfaction the decision by UNDP to help the United Nations High Commissioner for Refugees in his work for African refugees; it was to be hoped that such assistance would be expanded; it was the responsibility of the entire international community, which had taken no action to cure the evil at its source.

28. Those countries receiving UNDP assistance which possessed the necessary resources should gradually take over a bigger proportion of the cost of projects; poorer countries, such as his own, might reasonably expect UNDP to take their difficulties into account.

29. He urged the participating and executing agencies to make every effort to eliminate delays in the execution of projects approved by the Governing Council; such delays were apt to upset the time-tables for development in the recipient countries.

30. In matters of family planning, UNDP should be careful to abide by the general principle that projects should be launched only at the request of the recipient Government.

31. The practice of allocating a fixed proportion of UNDP funds to regional and inter-regional projects should be discontinued; such projects should be financed as UNDP's total resources permitted.

32. The PRESIDENT suggested that the Council should grant a request for a hearing on agenda item 8 (c) which had been addressed to him by the Secretary-General of the International Secretariat for Volunteer Service, an inter-governmental organization which had long been in contact with the United Nations system.

It was so decided.

33. Mr. SKATARETIKO (Yugoslavia) observed that the Technical Assistance component of UNDP had been in existence for twenty years and that the Special Fund component had been operationally active for ten years. Both had contributed substantially to the identification of the natural resources of the developing countries and to the preparation of projections for their future development on the basis of modern science and technology. Many projects partly financed by UNDP had helped in mobilizing the natural resources of the developing countries. UNDP was undoubtedly the most important multilateral body engaged in financing pre-investment activities with a view to the economic and social development of the developing countries.

34. Although the sums earmarked for Special Fund projects at the eighth session of the Governing Council were considerably smaller than those approved at the previous session, his delegation was pleased to note that industry was now far better placed than formerly in the allocation of projects and that UNIDO was beginning to fulfil the role assigned to it by the General Assembly. UNDP should co-operate more closely with UNCTAD in initiating and approving trade projects, and should increase the number of projects concerned with science and social development.

35. From particulars of requests received and resources allocated to Special Fund projects,³ it would be seen that approximately 70 per cent more requests had been submitted than the Special Fund had been able to finance in the first decade of its existence. The number of requests was evidence of the enormous efforts which the developing countries were making to overcome their economic backwardness, and of the increased capacity of those countries to absorb financial resources. In such circumstances, the question arose how far UNDP was capable of meeting the growing needs of the developing countries. Without an increase in its financial resources, the requests he had mentioned could not be met within the next ten years.

36. It was therefore vital that voluntary contributions to UNDP, particularly from the advanced countries, should be expanded considerably. His Government, like many others, had progressively increased its contributions to UNDP over the years and felt that the process should continue. The appeal made by the Secretary-General for an increase in contributions to UNDP to \$350 million by 1972⁴ must be met in full if the international community genuinely

desired to reduce the ever-widening gap between the elementary needs of the developing countries and their resources. In that connexion, the announced intention of the United States to increase its contribution to UNDP by 43 per cent, announced at the 1604th meeting, was an encouraging sign.

37. The next question to be considered was whether the United Nations machinery was geared to make rational and effective use of the anticipated increase in financial resources. His delegation hoped that the Capacity Study would indicate ways of eliminating the existing weaknesses in that machinery. The study should take into account activities which were now in the embryonic stage but which should play a significant part in the global development strategy for the future. Such activities included the Capital Development Fund. It was regrettable that the developed countries still maintained a negative attitude towards that fund. Its significance for the developing countries was amply demonstrated by their readiness to make the largest possible contributions to it. He believed that the developed countries would soon come to realize why the developing countries considered that the fund's operational activities would render the whole United Nations system more efficient and profitable in the coming decade. His delegation welcomed the decision taken by the Governing Council at its eighth session (E/4706, para. 286 (b) and (c)).

38. Mr. BITTREMIEUX (Belgium) observed that UNDP was constantly evolving in an endeavour to meet the needs of the developing countries more effectively. Its activities were increasing in complexity as a result of the widening of preparatory aid, the introduction of internal evaluation machinery and provision for the study of follow-up investment. They were also increasing in variety, as witness the so-called initial-phase projects, feasibility studies and regional research projects exempt from the requirement of counterpart contributions. Procedure was also evolving, as witness the continuous programming system of the Technical Assistance component, the new system for introducing regional technical assistance projects and the removal of separate divisions from the Revolving Fund. All such developments were welcome, for they demonstrated the desire to meet requirements more effectively and more flexibly and were consistent with the provisions of General Assembly resolution 2029 (XX).

39. The resolution specified that each of the two components was to retain its special characteristics, budget and procedures. As to the first of those requirements, some Special Fund projects seemed more concerned with technical assistance than with pre-investment, while others did not appear really appropriate for either component. That situation weakened the separation of budgets, while the new organization of the Revolving Fund broke down the barriers between contingency assistance (Technical Assistance) and preparatory assistance (Special Fund). The procedures of the two components were still distinct but lacked uniformity. For instance, the Administrator was authorized to approve any Technical Assistance projects which involved less than \$200,000, whereas all Special

³ See DP/SF/R.8 and addenda.

⁴ See *Official Records of the General Assembly, Twenty-third Session, Supplement No. 1A*, para. 110.

Fund projects, whatever their cost, had to be submitted to the Governing Council.

40. The purpose of General Assembly resolution 2029 (XX) had been to combine the two components; in practice they had merely been articulated more or less superficially and on a relatively short-term basis. In view of the evolution of UNDP—in itself a welcome development—it might be desirable to consider the idea of merging the two budgets more effectively and making the two sets of procedure more uniform.

41. Problems of co-ordination arose between the agencies of the United Nations system and between different sources of aid. He was glad to note that closer links were being forged between the various organizations of the United Nations system; the new method of joint programming should make it possible to integrate activities by country and by region, and to end independent programming by each organization. The agreement reached between UNDP and FAO concerning agricultural technical advisers illustrated what could be done in the direction of integrated technical representation in the field. Representation at country level should be considered from the standpoint of United Nations economic and social activities as a whole rather than from that of individual agencies, and it was better to strengthen UNDP field offices, directly or indirectly, than to leave each agency to establish its own local offices.

42. The co-ordination of United Nations activities with other programmes, bilateral or regional, was equally important. His Government had informed the Administrator of UNDP that it was fully prepared to establish closer links between UNDP and its own bilateral programme, both in the exchange of information and in field execution; it had instructed its diplomatic representatives to maintain closer liaison with the resident representatives.

43. In the coming Development Decade, the regional approach to development problems would be increasingly important. Unfortunately, UNDP regional projects, especially those of the Technical Assistance component, were open to criticism. The evaluation of various training projects had revealed serious weakness and gaps. It was clear from the Administrator's statement to the Governing Council at its eighth session⁵ that not all seminar-type projects were suited to the specific development needs, opportunities and resources of the participating countries. The Special Fund regional projects were probably more effective but raised problems, for example with regard to counterpart requirements. The new procedure concerning Technical Assistance regional projects, which gave the initiative to the countries concerned rather than to the executing agencies, was an improvement, but it would be well to review the principles governing such projects—their type, their objectives and their duration—in an endeavour to improve their efficiency.

⁵ Document DP/L.108.

44. The report of UNITAR on evaluation of programmes of technical co-operation (E/4649) confirmed that the participating agencies had difficulties in meeting their commitments, and particularly in the recruitment of experts. The same definition of an international expert had been in use for twenty years. Yet in such activities as rural development, young people working alongside the local authorities, and supervised by qualified specialists, could make up in enthusiasm and devotion what they lacked in experience. One way, therefore, to compensate for the shortage of suitable staff was to modify the conditions of recruitment for experts in certain sectors. Other appropriate measures included the maintenance of an inter-agency card index, the standardization of procedure, training for experts, and increased use of experts from developing States. Again, he was by no means sure that all participating agencies had paid sufficient attention to sub-contracting, including the placement of sub-contracts with scientific, university and research institutions. Many of the points he had mentioned would doubtless be dealt with in the Capacity Study.

45. His country was in favour of volunteer service. Some 760 voluntary workers belonging to Belgian organizations had been active in the developing countries at the end of 1968. Voluntary service in Belgium was left to private initiative; the State intervened only in order to enrol approved volunteers for social security. His delegation considered that voluntary workers had an important part to play in supplementing the work of experts; that the activities of voluntary workers should be linked as systematically as possible with development projects, including UNDP projects; and that any new voluntary work prompted by the United Nations should be administered through the existing machinery. The Secretary-General's note (E/4663) was a useful starting point but raised a number of questions which called for further study.

46. Mr. ENNALS (World Federation of United Nations Associations), speaking at the invitation of the President, said that the United Nations and its agencies were revolutionary in purpose in that they were committed to changing the nature of society. That challenge had not yet been fully communicated to public opinion, old or young. His organization believed that it would be impossible to make a success of the Second Development Decade unless young people in both developed and developing countries recognized the importance of the event and became directly involved in development programmes, either at home or abroad. His organization was directly concerned with the selection, recruitment and training of young people for volunteer programmes, under which some 200 qualified young people were at present working on bilateral or multilateral projects in forty countries. It had therefore welcomed the appeal of the Shahinshah of Iran for increased United Nations efforts in connexion with volunteer programmes.

47. Unskilled young people could make a valuable contribution to some aspects of reconstruction and development, but his organization's programmes were concerned basically

with the use of qualified personnel who had not yet gained enough experience to be experts. United Nations volunteers should never be in competition with young people of the developing countries, or regarded as a substitute for experienced experts. They could perform many tasks for which local personnel had not yet been trained in adequate numbers and which did not call for the special experience of experts. His organization had collaborated with UNHCR, UNRWA, UNDP, FAO, ITU, ECA and UNICEF, and greatly appreciated their willing co-operation. Recent visits to twelve countries in North and West Africa, where volunteers were at present working, had shown not only that they were making a useful contribution, but that many more volunteers could be absorbed.

48. The World Federation of United Nations Associations agreed with all the basic assumptions made by the Secretary-General (E/4663, paras. 12-16) and endorsed the Universal Charter of Volunteer Service drawn up by the Co-ordinating Committee for International Voluntary Service. Of the five possibilities listed in paragraph 22 of the Secretary-General's note regarding the nature of a volunteer corps, his organization opposed options (a) and (c) and favoured option (d), for a corps which was part of the United Nations system and administered by UNDP. The name "volunteer corps" might prove confusing; his organization would prefer to see the Council establish a United Nations volunteer programme as an integral part of UNDP.

49. Appropriate arrangements would have to be worked out for financing volunteers within the United Nations system. The entire cost should not be met by the country supplying the volunteers, since volunteers from more munificent countries might then be chosen in preference to more suitable volunteers from other countries. It would be better to arrange for the recipient country to pay part of the costs, so as to discourage requests for volunteers as a cheap alternative to experienced experts. The local costs of volunteers should be included in the project budget.

50. With regard to timing, it would be a mistake to send thousands of United Nations volunteers into the field without adequate preparation. However, volunteers were already being used effectively within the United Nations system. He hoped that any resolution adopted by the Council would encourage United Nations organs and agencies to increase the use of volunteers in their respective programmes and that the Council would ask the Secretary-General to plan an expanded United Nations volunteer programme to coincide with the Organization's twenty-fifth anniversary. The World Federation of United Nations Associations would be glad to take part in further consultations on the subject. The launching of a United Nations volunteer programme, if properly handled, could do much to win the support of young people for the Second Development Decade.

51. Mr. AL-ANSARI (Kuwait) said that developing countries attached special importance to UNDP's training activities because most of them lacked a competent public administration and had not yet adopted such useful aids to

resources utilization as cost accounting and market research. UNDP research programmes were also of great importance to such countries, which needed assistance in industrial as well as agricultural research. UNDP could play a major role in infrastructure development, which was unlikely to attract foreign investment. His country particularly welcomed UNDP's assistance in the development of transport and communications, hydroelectric power, geothermal energy projects and river basin development; developing countries could not undertake projects in those fields with their own unaided resources.

52. UNDP could contribute to the formation of a global development strategy, for its experience embraced the entire range of United Nations assistance activities. However, it would have to co-operate more closely with other agencies in the preparations for the Second Development Decade. The success of UNDP's operations was borne out by the steady increase in voluntary contributions, although its total resources were still small in relation to the needs of the developing countries. However, experience had shown that the quality of assistance was often more important than the quantity. He hoped that there would be broader regional co-operation in future. He supported the idea that UNDP resident representatives should attend the Council's sessions.

53. Expressing Kuwait's appreciation of the assistance received in connexion with desalination, he announced his Government's willingness to share its experience in that field and would welcome visits by experts and government representatives to its desalination plants.

54. Mr. MAHDAVI (United Nations Industrial Development Organization) said that frequent consultations took place between the Executive Director of UNIDO and the Administrator of UNDP on matters of common interest. That applied *inter alia* to the programming and approval of projects under the Special Industrial Services programme. The Industrial Development Board, at its recent session, had expressed the hope that the UNDP Governing Council would take appropriate action to ensure the availability of funds for the continued operation of that programme in view of the increasing number of requests for such assistance. The Administrator had responded by proposing that about \$2 million should be made available annually in the form of a revolving fund for expenditure under the Special Industrial Services programme, with a ceiling of \$4 million for commitments in any one year. UNIDO welcomed that arrangement and hoped that the assistance requirements of developing countries under the Special Industrial Services programme would be reviewed at future sessions of the Governing Council in order to ensure the availability of funds consistent with the programme's past development and commensurate with future needs.

55. The Industrial Field Adviser programme was another area in which UNIDO collaborated with UNDP. The field advisers had been instrumental in ensuring better co-ordination of United Nations activities in industrial development at country level. Of the ten advisers already assigned

to selected groups of countries, some were also acting as liaison officers with the regional economic commissions and UNESOB. He was glad to note that the Governing Council recognized the need to expand the programme along the lines indicated by the Industrial Development Board, and that the Administrator of UNDP intended to accede to UNIDO's request for ten more industrial field advisers in 1970 in order to meet the growing need for their services.

56. The Industrial Development Board had also emphasized the need to increase UNIDO's participation in technical assistance programmes. It had expressed the view that the resources made available to UNIDO should be increased, that the present proportion of industrial projects in UNDP was inadequate and that UNIDO should place more emphasis on the expansion of field activities. In 1968, UNIDO had been entrusted with eight Special Fund projects, accounting for only 4.7 per cent of the total UNDP programme. He was glad to note that many members of the Governing Council had expressed the hope that UNIDO would be given greater responsibility for the execution of industrial projects.

57. Mr. OLDS (United States of America) expressed appreciation of the efficient proceedings of the UNDP Governing Council. Its report prompted four observations on ways of strengthening the work of UNDP.

58. First, the United States and other countries might substantially increase their contributions to UNDP if they were confident that the United Nations system had the capacity to provide services on a larger scale without sacrificing quality, efficiency or economy. The results of the UNDP Capacity Study should therefore be made known as soon as possible, so that a meaningful exchange of views could be held not later than at the January 1970 session of the Governing Council.

59. Secondly, existing resources had not hitherto been adequately used to increase the impact of assistance. That assistance could be greatly enhanced, for instance, through recourse to universities, research institutes and professional organizations which possessed the necessary competence and capacity. The private sector all over the world also had a stake in the process of development and was prepared to contribute to it. The role of youth was only one aspect of that global potential.

60. Thirdly, there were new kinds of international resources not yet sufficiently exploited for development purposes. It might be possible, for instance, to form consortia of corporations with the capacity to contribute to the comprehensive regional development of natural and human resources.

61. Fourthly, certain significant current trends could be strengthened in order to increase the impact of UNDP's services. In 1968, for example, the net flow of public and private assistance from the seventeen member countries of DAC had totalled \$12.9 billion, accounting for 95 per cent of all financial and technical assistance received by developing countries and representing almost 1 per cent of the

combined national income of the contributing OECD countries. During 1968, the capital flow to developing countries had increased by 15 per cent and loans had been granted by official agencies on considerably easier terms than hitherto. That flow of funds represented the pay-off on UNDP's extensive pre-investment and technical assistance activities. There was greater diversity in the sources of the flow of assistance, as many developed countries were rapidly increasing their contributions. Until recently, United States assistance had been well in the lead; in 1968, for the first time in OECD's history, the United States contribution, although higher than ever before, had represented substantially less than one-half the total net flow from DAC countries to developing countries. The recent slight decline in assistance from public sources had been more than offset by the sharp increase in the flow of private funds. Although bilateral assistance still accounted for over 90 per cent of the total, countries were channelling increasing financial assistance through multilateral agencies. Lastly, it was necessary to increase direct financial support to UNDP. The United States hoped to contribute \$100 million to UNDP in 1970, an increase of 43 per cent over 1969.

62. He would deal with the question of volunteers and the role of youth when a draft resolution on the subject was placed before the Council. His delegation supported the draft resolutions submitted so far under agenda item 8.

63. Mr. DUBEY (India) commended UNDP on its efforts to extend the scope of its activities to new areas of critical importance to the developing countries, to adapt its activities to those countries' needs, and to improve the quality of its assistance. The Capacity Study, which was nearing completion, would be a further step in that direction. At each successive session, the Governing Council made some progress in streamlining and improving the quality of UNDP. The revised procedure proposed by the Governing Council for programming regional and inter-regional projects embodied the principle that the choice of projects for which technical assistance would be sought rested entirely with the planning authorities of the recipient country. His delegation supported that proposal.

64. He was glad to note that substantial progress had been made in exploring the prospects for making the United Nations Capital Development Fund operational at an early date. He hoped that, in undertaking the further studies requested by the Governing Council, the Administrator would make suggestions designed to preserve the multi-lateral character of the fund and to enable recipient countries to obtain supplies from the most competitive source. The Capital Development Fund could not become effective until it received the unstinted support of developed countries. The developing countries had nevertheless decided to make the fund operational as soon as possible in order to demonstrate how great were its potentialities and how acute was the need for capital development assistance.

65. As his delegation had stated in the Governing Council, the United Nations regular programme of technical assist-

ance was justified by the fact of its continued existence. It had accumulated valuable expertise and contacts at the national, regional and international levels and had become an important adjunct to multilateral development activities.

66. The resources available for UNDP's activities were meagre in relation to the developing countries' needs. He regretted that the \$350 million target proposed by the Secretary-General for 1970 had had to be revised at a time when the developing countries' capacity for absorbing

assistance was increasing—partly as a result of UNDP's efforts—and when IBRD was doubling its lending activities. He was glad that the United States intended to increase its contribution to UNDP, and he hoped that other developed countries would do likewise, especially in view of the ambitious objectives envisaged for the Second Development Decade. UNDP had proved to be one of the most successful ventures in international assistance.

The meeting rose at 6 p.m.