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Agenda items 40 and 41

OPERATIONAL ACTIVITIES FOR DEVELOPMENT

UNITED NATIONS CAPITAL DEVELOPMENT FUND

Report of the Second Committee

Rapporteur:

1. The General Assembly at its 1843rd meeting, on 18 September 1970, allocated to the Second Committee agenda items 40 and 41. The items were entitled respectively:

"Operational activities for development:

- (a) Activities of the United Nations Development Programme: reports of the Governing Council;
- (b) Activities undertaken by the Secretary-General"

and

"United Nations Capital Development Fund".

2. At its 1311th meeting, on 28 September, the Committee decided to consider items 40 and 41 concurrently.
3. The following documents were before the Committee for its consideration of these items:

For item 40: Notes by the Secretary-General
(A/8068 and A/8069)

Reports of the Governing Council of the
United Nations Development Programme on
its ninth and tenth sessions 1/

Economic and Social Council resolution
1530 (XLIX) in which the Council
recommended a draft resolution to the
General Assembly for adoption

Relevant sections of the report of the
Economic and Social Council 2/

For item 41: Note by the Secretary-General (A/8070)

Chapter VII of the reports of the
Governing Council of the United Nations
Development Programme on its ninth and
tenth sessions 1/

Relevant section of the report of the
Economic and Social Council 3/

4. The Committee considered items 40 and 41 at its 1339th to 1343rd meetings, held between 16 and 18 November, as well as at its 1358th meeting on 2 December. An account of the discussions which took place in the Committee is contained in the summary records of the meetings.^{4/}

5. At its 1339th meeting, on 16 November, the Committee heard a statement by the Administrator of the United Nations Development Programme. At the same meeting, it also heard a statement by the Commissioner for Technical Co-operation relating to item 40 (b).

1/ Official Records of the Economic and Social Council, Forty-ninth Session, Supplements Nos. 6 and 6A (E/4782 and E/4884/Rev.1).

2/ Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 3 (A/8003, chapter X, sections A and B).

3/ Ibid., chapter X, section A.

4/ See A/C.2/SR.1339-1343 and 1358.

6. The Committee had before it three draft resolutions, as set forth in sections I, II and III below:

I

7. The Committee took up at its 1342nd meeting, on 18 November, a draft resolution concerning the capacity of the United Nations development system, which the Economic and Social Council had recommended in its resolution 1530 (XLIX) for adoption by the General Assembly. Following suggestions by the representatives of France, Argentina, Tunisia and the United Kingdom, it decided to add as the second preambular paragraph of the draft resolution the following new paragraph:

"Taking note of the observations and reservations made in the Governing Council of the United Nations Development Programme at its tenth session 5/ and in the Economic and Social Council at its forty-ninth session," 6/

8. The Committee, at its 1342nd meeting, adopted without objection the draft resolution recommended by the Economic and Social Council, as amended (see paragraph 14 below, draft resolution I).

II

9. Also at the 1342nd meeting, the Committee adopted without objection, on the proposal by the Chairman, a draft resolution in which it took note with appreciation of the reports of the Governing Council on its ninth and tenth sessions (see paragraph 14 below, draft resolution II). The addition of the words "with appreciation" was proposed by the representative of the United Kingdom.

III

10. At its 1343rd meeting, on 18 November, the representative of Tunisia introduced a draft resolution (A/C.2/L.1127) on behalf of Brazil, Chile, Morocco,

5/ Official Records of the Economic and Social Council, Forty-ninth Session, Supplement No. 6 A (E/4884/Rev.1, chapter VI, annex, paragraphs 95-106).

6/ E/SR.1712-1714.

Syria, Tunisia and Yugoslavia concerning the United Nations Capital Development Fund. Afghanistan, Algeria, Argentina, Ghana, Pakistan and the United Arab Republic joined in sponsoring the draft resolution. The text read as follows:

"The General Assembly,

"Recalling its resolutions 2186 (XXI) of 13 December 1966 and 2321 (XXII) of 15 December 1962,

"Recalling further its resolution 2525 (XXIV) of 5 December 1969, in which it decided inter alia to continue the provisional arrangements for the operation of the United Nations Capital Development Fund.

"Noting that it has not been possible for the Governing Council of the United Nations Development Programme to undertake the exploratory study requested in resolution 2525 (XXIV),

"1. Reaffirms its resolution 2525 (XXIV) and requests Member States to offer suggestions, within the framework of the exploratory study, so as to expedite the commencement of the effective operation of the United Nations Capital Development Fund;

"2. Decides to preserve the original functions of the United Nations Capital Development Fund until 31 December 1971, in accordance with the measures set forth in paragraph 1 of General Assembly resolution 2321 (XXII);

"3. Requests the Secretary-General to invite Member States to contribute separately, at the same pledging conference, to the United Nations Development Programme and to the United Nations Capital Development Fund;

"4. Appeals to Member States and in particular developed countries, to provide substantial contributions to the United Nations Capital Development Fund so as to make the Fund operational and effective;

"5. Requests further the Governing Council of UNDP to consider the possibility of utilizing part of UNDP operational reserves as a source of financing the United Nations Capital Development Fund follow-up investment."

11. At the 1353rd meeting, on 2 December, the representative of Tunisia introduced a revised draft resolution (A/C.2/L.1127/Rev.1) submitted by Afghanistan, Algeria, Brazil, Chile, the Democratic Republic of the Congo, Ghana, Morocco, Pakistan, Syria, Tunisia, the United Arab Republic and Yugoslavia. Argentina, the Dominican Republic, the Philippines and the Sudan joined in sponsoring the draft resolution.

12. The representative of the Netherlands proposed an oral amendment to paragraph 2 of the revised draft resolution which provided for the deletion of the phrase "including the desirability and feasibility of providing the United Nations Capital Development Fund follow-up investment projects in country programmes".

13. The Committee voted as follows, at its 1358th meeting, on the revised draft resolution:

(a) It rejected, by 39 votes to 23, with 25 abstentions, the amendment submitted orally by the Netherlands to operative paragraph 2;

(b) On a separate vote requested by the representative of the Netherlands, it adopted, by 59 votes to 14, with 16 abstentions, operative paragraph 2;

(c) On a roll-call vote requested by the representative of Morocco, it adopted the draft resolution as a whole by 64 votes to 9, with 21 abstentions. (see paragraph 14, draft resolution III). The voting was as follows:

In favour: Afghanistan, Algeria, Argentina, Barbados, Bolivia, Brazil, Burma, Cameroon, Ceylon, Chad, Chile, China, Colombia, Congo (Democratic Republic of), Cuba, Cyprus, Dahomey, Ecuador, El Salvador, Ethiopia, Greece, Guatemala, Guyana, Honduras, India, Indonesia, Iran, Iraq, Israel, Jamaica, Kenya, Madagascar, Malaysia, Mali, Mexico, Morocco, Nepal, Netherlands, Nicaragua, Nigeria, Pakistan, Panama, People's Republic of the Congo, Peru, Philippines, Rwanda, Senegal, Sierra Leone, Sudan, Swaziland, Syria, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Republic, United Republic of Tanzania, Uruguay, Venezuela, Yemen, Yugoslavia, Zambia.

Against: Australia, Belgium, Canada, France, Japan, New Zealand, South Africa, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining: Austria, Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, Denmark, Finland, Hungary, Ireland, Italy, Kuwait, Malta, Mongolia, Norway, Poland, Portugal, Romania, Saudi Arabia, Spain, Sweden, Ukrainian Soviet Social Republic, Union of Soviet Socialist Republics.

RECOMMENDATION OF THE SECOND COMMITTEE

14. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

DRAFT RESOLUTION I

The capacity of the United Nations development system

The General Assembly,

Having considered the parts of the reports of the Governing Council of the United Nations Development Programme on its ninth and tenth sessions and of the Economic and Social Council concerning the capacity of the United Nations development system,

Taking note of the observations and reservations made in the Governing Council of the United Nations Development Programme at its tenth session^{7/} and in the Economic and Social Council at its forty-ninth session;^{8/}

Noting that some questions remain to be settled within the framework of the examination of this subject,

1. Approves the provisions annexed hereto concerning the United Nations Development Programme and declares that such provisions shall apply to activities of the Programme commencing from 1 January 1971, taking into account the transitional measures in those provisions;

2. Requests the Governing Council to prepare for consideration by the General Assembly, if possible at its twenty-sixth session, a draft omnibus statute for the Programme, incorporating the provisions annexed hereto and appropriate provisions from past resolutions relating to the United Nations Development Programme.

ANNEX

I. THE UNITED NATIONS DEVELOPMENT CO-OPERATION CYCLE

1. The formulation of the United Nations Development Programme country programme is the first phase of a process which may be called the United Nations Development Co-operation Cycle. The other phases are project formulation, appraisal and approval, implementation, evaluation and follow-up. The Cycle will also include periodic reviews. The scope of the Cycle might expand as envisaged in paragraph 9 below.

^{7/} Official Records of the Economic and Social Council, Forty-ninth session, Supplement No. 6 A (E/4884/Rev.1, chapter VI, Annex, paras. 95-106).

^{8/} See E/SR.1712-1714.

II. UNITED NATIONS DEVELOPMENT PROGRAMME COUNTRY PROGRAMMING

General principles

2. United Nations Development Programme country programming means the programming of Programme assistance at the country level. It involves the identification of the role of Programme inputs in specified areas within the country's development objectives.

3. Country programming will be used as a means to achieve the most rational and efficient utilization of resources at the disposal of the Programme for its activities in order to have the maximum impact on the economic and social development of the developing country concerned.

4. Country programming will be based on individual national development plans, or, where these do not exist, on national development priorities or objectives.

5. It is recognized that the Government of the country concerned has the exclusive responsibility for formulating its national development plan or priorities and objectives. Individual developing countries should have, at their request, assistance from the United Nations, including the regional economic commissions and the United Nations Economic and Social Office in Beirut, in the general field of planning and from the specialized agencies in sectorial planning.

6. The programming of Programme assistance will be carried out in each country within the framework of indicative planning figures constituting an order of magnitude of the resources expected to be available from the Programme during the country programme period.

7. The country programme, based on national development plans, priorities or objectives and on the indicative planning figures, will be formulated by the Government of the recipient country in co-operation, at an appropriate stage, with representatives of the United Nations system, the latter under the leadership of the resident representative of the Programme; it should coincide, where appropriate, with the period of the country's national development plan. The formulation of the country programme should involve:

(a) A broad identification of the needs which arise out of the country's objectives in particular sectors, within the framework of its over-all development objectives, and which might appropriately be met by Programme assistance;

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(b) As precise an indication as possible of the internal inputs, Programme inputs and wherever possible other United Nations inputs to meet these needs;

(c) A preliminary list of projects to be subsequently worked out for financing by the Programme to implement the country programme.

8. The country programme of assistance should support activities which are meaningfully related to the country's development objectives. This implies that the assistance provided constitutes a programme which receives its coherence and balance from its relationship to these national objectives.

9. In the process of country programming, efforts should be made at all levels to co-ordinate all sources of assistance in the United Nations system, with a view to achieving integration of the assistance at the country level.

10. It will be for the Government to take into account, while preparing the country programme, other external inputs, both multilateral and bilateral.

11. The resident representative will transmit the Programme country programme to the Administrator who in turn will submit it, with his recommendations, to the Governing Council for its consideration and approval. Approval will cover the entire period of the programme, with provision for periodic reviews aimed at possible adjustments. With the agreement of the country concerned, the Administrator, in submitting the country programme for consideration and approval, will invite the attention of the Governing Council to details of any other related programme of United Nations assistance.

12. The assistance of the Programme must be sufficiently flexible to meet unforeseen needs of recipient countries or exceptional situations, which country programmes could not take into account.

Indicative planning figures

13. For the purpose, among others, of establishing the indicative planning figures, any distinctions between the technical assistance and Special Fund components will be eliminated. The resources to be devoted to country programming will be a specified percentage of the total resources for the current year, projected over a given period of time and including a rate of growth per annum over that period, one of the assumptions being that the resources of the Programme will increase at least at the same rate as the average of the last few years.

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14. The indicative country-planning figures should not be construed as representing a commitment, but as a reasonably firm indication for the purpose of forward programming.

15. The indicative planning figures will be proposed by the Administrator to Governments on the basis of the criteria and guidelines established from time to time by the Governing Council. There should be some flexibility in determining the level of resources available for indicative planning figures. After taking into account any comments which Governments may wish to make in regard to the figures, the Administrator will submit his final indicative planning figures for each country for approval by the Governing Council; wherever possible the country programme concerned will be approved at the same time.

16. As an experimental basis for the first series of indicative planning figures, the Administrator will calculate the percentage devoted to each country of the total earmarkings of programmed resources (i.e. Technical Assistance country targets plus Special Fund project earmarkings) during the five years 1966-1970, including projects approved by the Governing Council at its eleventh session. He will apply this percentage in each case to resources estimated, in accordance with the procedure laid down in paragraph 13 above, to be available for country programming for a period of from three to five years consistent with the period of the country's development plan or development programme in order to obtain a preliminary indicative planning figure for each country for that period. He will scrutinize these figures in the light of existing criteria for the allocation of resources and adjust them where necessary to avoid arbitrarily projecting any exceptional present country situations, to correct any inequities due to historical circumstances, and in particular to ensure that special consideration is given to the situation of the least developed countries and of newly independent countries whose lack of an adequate administrative infrastructure has prevented them from taking proper advantage of programme assistance.

17. The figures will be reviewed periodically in consultation with the Government concerned, by the Administrator and the Governing Council, in the light of progress in the implementation of the country programme.

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Formulation, appraisal and approval of projects

18. Project formulation will be an on-going process and need not await the approval of the country programme. To ensure the soundness of project formulation it will be carried out at the country level. Association of various kinds of expertise with the formulation of a particular project will be only at the specific request of the Government which, in the light of the expertise available locally, is in the best position to know the type of expertise required.

19. The appraisal of each project will be, to the fullest extent possible, an integral part of the process of formulation of the project. Thus smaller projects, up to a specified cost limit, will be appraised on behalf of the programme by the resident representative with the assistance of competent technical expertise whenever necessary. Responsibility for the appraisal of larger projects will rest with the Administrator.

20. The Governing Council alone is empowered to approve projects submitted by countries to the programme for consideration. The Governing Council, while retaining this authority, delegates for three years to the Administrator authority to approve projects within country programmes. Nevertheless the Council and the requesting Government reserve the right to request the Administrator to submit particular projects of whatever magnitude to the Council for its consideration and approval. Also the Administrator may bring to the Council any project which, because of its policy implications or the magnitude of its impact on the country programme as a whole, deserves the consideration and approval of the Council. The Administrator will, to the maximum extent feasible, which will be determined and indicated by him to the Governing Council in due course, delegate the authority to approve projects to the resident representatives. The Governing Council will be informed as soon as possible of all project decisions completed under its delegation of authority.

III. INTER-COUNTRY PROGRAMMING

21. Intercountry programming is the programming of assistance for groups of countries on a subregional, regional, interregional or global basis. Such assistance will be provided through subregional, regional, interregional and global projects at the request of at least two Governments, taking into account the equitable distribution of resources among regions.

22. The programming of such assistance will be based broadly on the same general principles as set out above for country programming, particularly in that it will be systematically related to the development priorities of the countries concerned and as far as possible planned in advance over a period of years.

23. The procedures for the formulation, appraisal and approval of intercountry projects will follow, in their relevant aspects, the same general lines as for projects within country programmes, and will be subject to criteria and guidelines established from time to time by the Governing Council. However, all global projects will require specific approval by the Governing Council.

IV. OVER-ALL DISPOSITION AND MANAGEMENT OF UNITED NATIONS DEVELOPMENT PROGRAMME RESOURCES

A. Over-all disposition of resources

24. The total resources available for programming will be divided between country programming on the one hand and, on the other, intercountry programming, consisting of subregional, regional, interregional and global projects.

25. Initially, and until further review by the Governing Council, at least 82 per cent of the net resources available each year, after deduction of programme support costs and administrative costs, as well as resources to meet the requirements set out in paragraph 27 below, will be set aside for country programming and at most 18 per cent for intercountry programming, it being understood that these proportions are intended as a planning guide.

26. Subregional, regional and interregional projects, particularly those designed by interested countries to accelerate the process of economic and social integration and to promote other forms of regional and subregional co-operation, will have the first claim on the resources for intercountry programming. Global projects will come next in the order of priority. Subject to review by the Governing Council from time to time, the amount to be allocated for global projects should not exceed 1 per cent of the net resources available for programming.

27. It will be necessary to make provision to meet unforeseen needs, to meet special needs of the least developed of the developing countries, and to finance unanticipated projects or phases of projects, particularly projects of the Special Industrial Services type, which could have a catalytic role in the economic development of the country concerned. At the eleventh session of the Governing Council the Administrator will make proposals on the manner in which resources

to meet such requirements, as well as to maintain under present arrangements the programme of Special Industrial Services at least at the present level, will be made available.

B. Full utilization of resources and financial control

28. All financial resources of the Programme are to be available at all times to the maximum possible extent for programme purposes, subject only to the maintenance on a continuous basis of an operational reserve. After provision has been made annually for programme support and administrative costs, and for replenishment of the operational reserve, all resources not otherwise committed will be utilized for project activities.

29. The purpose of the operational reserve is to guarantee under all circumstances the financial liquidity and integrity of the Programme, to compensate for uneven cash inflows, and to meet such other requirements as may be decided upon by the Governing Council at a subsequent stage. The Council will keep under constant review the size and composition of the reserve, basing itself on the planning of payment authorizations and expenditures for the following financial year. At the outset, and pending receipt of a more detailed analysis from the Administrator of the financial position of the Programme up to the end of 1970, the Council, as an interim measure, authorizes the establishment of an operational reserve of \$150 million in all categories of resources, the composition of which is to be determined and maintained by the Administrator in accordance with sound principles of financial management, this level to be reviewed by the Council at its twelfth session in the context of the financial review referred to above.

30. Full responsibility for proper utilization of funds of the Programme and for the exercise of financial and accounting controls will be borne by the Administrator. The Secretary-General will continue as custodian of Programme funds, but decisions regarding the Programme investment portfolio and currency management will be reached in agreement with the Administrator, subject to a full report on this arrangement and review by the Governing Council at its twelfth session.

31. In presenting to the Governing Council forecasts of expenditure and requests for earmarkings, the Administrator will distinguish clearly among the

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following types of expense: (a) project costs, (b) programme support costs, including overhead and consultative services costs and (c) administrative service costs.

C. Assessment of local costs

32. Specific recommendations will be made by the Administrator to the Council at its eleventh session on the formula to be followed for the assessment of local costs, which should make provision for simplified application of full or partial waivers of local costs, taking into account those cases where undue burdens would otherwise be placed on the recipient Government.

D. Agency overhead costs

33. The Administrator will consult with the participating and executing agencies and the Advisory Committee for Administrative and Budgetary Questions with a view to arriving at new methods for calculating appropriate reimbursement for project implementation and for advisory services involving programming, project formulation and policy development. The prospect of entering into general compensatory arrangements for advisory services and separate specific arrangements for reimbursements of costs in connexion with project execution will be explored. The solution worked out should not be considered as binding until it has been submitted to the Council for consideration and approval, accompanied by a report on the kinds of services to be reimbursed.

34. The Administrator will co-operate to the fullest degree in efforts to achieve common budgeting policies and accounting systems throughout the United Nations family of organizations.

V. IMPLEMENTATION OF UNITED NATIONS
DEVELOPMENT PROGRAMME ASSISTANCE

Responsibility of the Governing Council

35. The Governing Council has over-all responsibility for ensuring that the resources of the Programme are employed with maximum efficiency and effectiveness in assisting the development of the developing countries.

36. To this end, the principal responsibilities of the Governing Council remain as stated in the relevant resolutions of the General Assembly. In the

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context of the principles of country and intercountry programming set out above, and of the implementation of assistance so provided, the Governing Council will consider and approve country programmes, including indicative country planning figures, approve certain projects included in the programmes in accordance with the provisions mentioned in paragraphs 20 and 23 above, exercise effective operational control, including periodic reviews of the country programmes and make broad allocations of resources and control their use.

Responsibility of the Administrator

37. In addition to the responsibilities to be delegated to him by the Governing Council, the Administrator will be fully responsible and accountable to the Governing Council for all phases and aspects of the implementation of the Programme.

Role of United Nations organizations in implementation

38. The role of the organizations of the United Nations system in the implementation of country programmes should be that of partners, under the leadership of the Programme, in a common endeavour of the entire United Nations system. Their advice should be available to the Administrator in the implementation of all projects, as appropriate, whether executed by them or not.

Selection and accountability of executing agents

39. The Administrator will consult the Government in each case on the selection of the agent by which Programme assistance to each project will be implemented.

40. The appropriate organizations of the United Nations system will, subject to this procedure, have first consideration as executing agents.

41. When necessary to ensure the maximum effectiveness of Programme assistance or to increase its capacity, and with due regard to the cost factor, increased use may appropriately be made of suitable services obtained from governmental and non-governmental institutions and firms, in agreement with the recipient Government concerned and in accordance with the principles of international competitive bidding. Maximum use should be made of national institutions and firms, if available, within the recipient countries.

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42. In cases where expertise or services are required which are not available in adequate kind, quantity and quality within the United Nations system, the Administrator will, in agreement with the Government concerned, exercise his authority to obtain them, while inviting, in appropriate cases, the relevant United Nations organization to provide complementary support.

43. Every executing agent will be accountable to the Administrator for the implementation of Programme assistance to projects.

44. In the selection of individual experts, institutions or firms, in the procurement of equipment and supplies and in the provision of training facilities, the principle of equitable geographical distribution consistent with maximum effectiveness will be observed.

Availability and quality of international and national project personnel

45. The Administrator should intensify efforts in co-ordination with the appropriate organs of the system and should develop suitable proposals for consideration by the Governing Council, to improve the availability, briefing, refresher training and procedures for punctual recruitment of well-qualified international project personnel. These proposals should particularly take into account the desirability of increasing the number of personnel recruited from the developing countries. The Administrator should also pay particular attention to such factors as the personal suitability of candidates, including their motivation and adaptability; the need for realistic job descriptions and reporting dates; prompt decisions on candidates by the agencies and requesting Governments; and conditions of service that will attract and retain candidates for whose services there is world-wide demand.

46. In suitable cases, qualified nationals may be designated as project managers, assisted by international specialists.

47. Where necessary, and upon the request of the recipient Government, consideration should be given by the Programme to training suitable counterpart personnel as an integral part of a Programme-assisted project, including its planning phase, so that they will be qualified to participate in and ensure effective execution of the project.

48. Since there is no set formula for the proportions of international personnel, fellowships and equipment for a particular project and no ceiling on

the ratio of the value of the equipment in relation to the total cost of a project, Programme pre-investment assistance should be sufficiently flexible so that in appropriate cases, it may consist of the supply of equipment alone as part of an integrated pre-investment project. In the latter case, particular attention should be given to the availability of personnel qualified to use the equipment or to train personnel in its use in recipient countries.

Operational control and assessment of results

49. The monitoring of project assistance, in so far as it is required for the discharge by the Administrator of his responsibility for operational control, will normally be carried out at the country level by the resident representative.

50. Evaluation carried out within the United Nations system of Programme-assisted activities will only be made with the agreement of the Government concerned. This will be carried out jointly by the Government, the Programme, the United Nations agency concerned and, where appropriate, the executing agent outside the United Nations system.

51. Such evaluation shall be on a selective basis and restricted to the minimum essential for the improvement or follow-up of the projects concerned, for the needs of Governments, and for the improvement of the Programme. With the agreement of the Government concerned, the results will be communicated to the Governing Council for its information.

Investment and other follow-up

52. Provision for investment and other forms of follow-up to Programme-assisted projects will, when necessary, be an integral part of the programming process and of the formulation, implementation and evaluation of the projects.

53. The Government in each case will be primarily responsible for all measures which should be taken at all stages of a project to ensure effective follow-up, including follow-up investment. It will be open to the Government to seek investment assistance from all available sources. No one source of follow-up investment financing should be regarded as the only acceptable source or as a source enjoying preference over others. The Administrator will assume full

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responsibility within the United Nations system, as its major source of pre-investment financing, for providing assistance and advice on behalf of the United Nations system on follow-up investment, with the agreement of the Government. The Programme will develop its expertise in this matter to ensure, in consultation with the Government, the early co-ordination, from the planning stage onwards, with potential bilateral and/or multilateral sources of finance for projects requiring follow-up investment.

VI. TIMING AND TRANSITIONAL MEASURES

54. The principles set out above, and the procedures to give effect to them, will be progressively applied from the date of their approval by the competent legislative organs of the United Nations. The Administrator will undertake as soon as possible the necessary measures so that, if possible, some country programmes will be submitted in time for consideration by the Governing Council at its twelfth session in June 1971.

55. In the transitional period, to ensure continuity of action by the Programme in meeting Governments' requests for assistance, the appraisal and approval of projects will be carried out in accordance with existing procedures. These transitional measures may be extended in cases where the Government wishes to start its country programme later than 1972, on the understanding, however, that the total amount of assistance to be provided from 1 January 1972 will be consistent with the indicative planning figures and that the existing distinctions between the two components of the Programme will have been eliminated.

VII. ORGANIZATION OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

56. The Governing Council recognizes its responsibility for policy formulation, the determination of programme priorities, and the review of implementation in both planning and practice. The decisions of the Council on country programming and its implementation have important organizational implications. The country-programming approach implies that the Administrator will be fully accountable for the management of all aspects of the Programme. At the same time, it will be necessary to bring about, within the Programme, greater decentralization of responsibility for programming and implementation from

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the headquarters to the country level. The application of the twin principle of the Administrator's full accountability for the programme and the decentralization to the country level will require certain modifications in the existing structure and procedure of the Programme. A clear definition of functions and responsibilities at all levels of the Administration will therefore be necessary.

57. At the headquarters level, regional bureaux should be established to provide a direct link between the Administrator and the resident representative in all matters concerning field activities. In order to streamline channels of communication and expedite the decision-making process the heads of these bureaux should have direct access to the Administrator. To achieve the required degree of effectiveness of management of the bureaux, they should be headed by persons with the high qualifications and rank commensurate with their important responsibilities.

58. The country-programming approach also implies that the Programme should not only concern itself with current policy formulation, but should also be able constantly to analyze the main trends in the evolution of the programme in order to give it new directions and to explore new possibilities for making it more effective. To meet this need, a small but highly competent long-term planning staff should be established at the headquarters level under the direction of a senior official.

59. The country-programming approach also envisages more rational and effective procedures for evaluation and follow-up. This as well as the need to maintain close relations with other collaborating organizations of the United Nations system must be fully reflected in the organizational restructuring at the headquarters level. The Administrator is invited to take the necessary steps in this direction and to submit further proposals to the Council.

60. The strengthening of the management of the Programme at the headquarters level, in view of the reform of the system and the expectation of a growing Programme, should be achieved by securing the services of highly qualified and experienced staff with due regard to the principle of equitable geographical distribution and to the need for economy.

61. The Administrator should continue to have the authority to appoint and administer the staff of the Programme. For this purpose, he should have authority, in consultation with the Secretary-General, to frame such staff rules,

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consistent with the relevant principles laid down by the General Assembly of the United Nations, as he considers necessary to meet the special problems which arise in the service of the Programme.

62. As far as concerns the organization of the Programme at the country level, the resident representative will be redesignated resident director of the Programme. His appointment by the Administrator will be subject to the prior approval of the Government concerned.

63. There should be the maximum possible delegation of authority to the resident director. His role therefore needs to be greatly strengthened. In this context his relations with the representatives of other United Nations organizations in the field are of crucial importance. The resident director should be recognized as having full over-all responsibility for the programme in the country concerned, and his role in relation to the representatives of the other United Nations organizations, where they are posted with the prior approval of the Government concerned, should be that of the leader of the team, taking into account the professional competence of these United Nations organizations and their relations with appropriate organs of Government. This role of leadership and over-all responsibility should extend to all contacts with the governmental authorities concerned in connexion with the programme in regard to which he will be the principal channel of communication between the Programme and the Government. The resident director should have ultimate authority on behalf of the Administrator for all aspects of the programme at the country level and should, subject to the agreement of the organizations concerned, be the central co-ordinating authority on their behalf for the other development assistance programmes of the United Nations system. In this connexion, the organizations in the United Nations system are requested to ensure that the resident directors of the Programme are consulted on the planning and formulation of development projects with which those organizations are concerned and they are supplied with reports on the execution of those projects as requested by the Economic and Social Council in resolution 1453 (XIVII) of 8 August 1969.

64. The creation of new field offices or the enlargement of the existing ones should depend on the volume of Programme operations in the particular country and should be undertaken with due regard to the need for economy. In the strengthening of field offices, priority should be given to effective redeployment of existing staff.

65. The Inter-Agency Consultative Board should continue to be the forum for interagency consultation and co-ordination relating to the programme. However, the Board should undertake a thorough review of its basic functions and methods of work and its relations with the Governing Council in the light of the new system of country programming of Programme assistance and the need for the efficient implementation of the country programmes.

DRAFT RESOLUTION II

Reports of the Governing Council of the
United Nations Development Programme

The General Assembly

Takes note with appreciation of the reports of the Governing Council of the United Nations Development Programme on its ninth and tenth sessions.^{9/}

^{9/} Official Records of the Economic and Social Council, Forty-ninth Session, Supplements Nos. 6 and 6A (E/4782 and E/4884/Rev.1).

DRAFT RESOLUTION III

United Nations Capital Development Fund

The General Assembly,

Recalling its resolutions 2186 (XXI) of 13 December 1966 and 2321 (XXII) of 15 December 1967,

Recalling further its resolution 2525 (XXIV) of 5 December 1969 in which it decided, inter alia, to continue the provisional arrangements for the operation of the United Nations Capital Development Fund,

Noting that it has not been possible for the Governing Council of the United Nations Development Programme to undertake the exploratory study requested in resolution 2525 (XXIV),

Taking note of the statement by the Secretary-General at the 1970 Pledging Conference of the United Nations Capital Development Fund in which he called on the General Assembly to carry out a searching review of the whole question,

1. Reaffirms its resolution 2525 (XXIV) and requests Member States to offer suggestions, within the framework of the exploratory study, so as to expedite the commencement of the effective operation of the United Nations Capital Development Fund;

2. Requests the Governing Council of the United Nations Development Programme, to consider, within the framework of the study mentioned above, and taking into account the observations made by Member States during the twenty-fifth session of the General Assembly, all possibilities for reaching the objectives of the United Nations Capital Development Fund, including the desirability and feasibility of providing the United Nations Capital Development Fund follow-up investment projects in country programmes;

3. Decides to preserve the original functions of the United Nations Capital Development Fund until 31 December 1971, in accordance with the measures set forth in paragraph 1 of General Assembly resolution 2321 (XXII);

4. Requests the Secretary-General to invite Member States to contribute separately at the same pledging conference, to the United Nations Development Programme and to the United Nations Capital Development Fund;

5. Appeals to Member States, and in particular to developed countries, to provide substantial contributions to the United Nations Capital Development Fund so as to make the Fund operational and effective.