



Chairman: Mr. Narciso G. REYES (Philippines).

AGENDA ITEM 44

Operational activities for development: reports of the Governing Council of the United Nations Development Programme (*continued*) (A/8399, A/8403, chap. VIII (sects. A to D); E/4954 and Corr.1, E/5043/Rev.1):

- (a) United Nations Development Programme (A/C.2/L.1146);
- (b) United Nations Capital Development Fund;
- (c) Technical co-operation activities undertaken by the Secretary-General;
- (d) United Nations Volunteers programme (E/5028; A/C.2/L.1145)

1. Mr. SHAHI (Pakistan) expressed regret at the departure of Mr. Paul Hoffman from his position as Administrator of UNDP and congratulated him on the work he had accomplished in the field of development. He recalled Mr. Hoffman's position on certain questions: the necessity for long-term progress to be based on the internal growth of resources of the developing countries, the necessity for the international community to ensure a more equitable distribution of the means of production and wealth, the necessity of setting up a network of global trading relationships, stable government and centralization of development responsibility, the evolution of a globally integrated economy and increased assistance.

2. It was imperative that UNDP should not lag behind the expectations of the developing countries to provide a much larger volume of resources. For that, the activities of the United Nations development system should be progressively rationalized both at the country and Secretariat levels, as the Administrator had recognized some years earlier. It was with that in mind that the Consensus of the Governing Council, adopted in General Assembly resolution 2688 (XXV), had introduced fundamental changes in the system. It was regrettable that the debates in the Governing Council concerning reform of the system had progressively ignored the purpose of the exercise, which was to enable the system to channel double the present volume of assistance. Whereas the Governing Council had set the annual rate of increase in UNDP's resources at 9.6 per cent, in 1970 the rate of increase of contributions had been only 8.4 per cent and the increase in 1971 would probably amount to only 6.1 per cent. The Pakistan delegation, therefore, welcomed the adoption of Economic and Social Council resolution 1615 (LI); which requested the Governing Council of UNDP to review its planning estimates in order to attain the goal of the doubling of the resources of the Programme during the next five years. It was obvious

that there were certain resources and sectors in the developing economies which could become commercially exploitable only as a result of direct capital investment. Since those resources and sectors did not attract private investment and could not qualify for pre-investment programmes, the United Nations should allow for direct investment within its operational activities.

3. Turning to the question of the United Nations Volunteers programme, he recalled the statement made in the 1385th meeting of the Committee that morning by Her Imperial Highness Princess Ashraf Pahlavi of Iran and congratulated her on the two thousand five hundredth anniversary of the founding of the State of Iran. The Volunteers programme had been enthusiastically received by the international community, particularly by young people. Events seemed to be proving that, despite the difficulties they had encountered, the Administrator of UNDP and the Co-ordinator of the United Nations Volunteers had taken prompt action to make the programme operational. The participation of developing countries was very important if the programme was to become truly universal.

4. He then introduced, on behalf also of the delegations of Denmark, Greece, Iran, Kenya, Lebanon, Malaysia, Morocco, the Philippines, Togo, Turkey and Yemen, draft resolution A/C.2/L.1145. He pointed out that operative paragraph 2 was almost identical with paragraph 2 of Economic and Social Council resolution 1618 (LI). There had been a small change in the paragraph: the phrase "to the maximum extent possible" should be replaced by the word "all". He hoped that the text would be adopted without opposition.

5. Mr. JAIN (India) said that his delegation attached great importance to the question being considered by the Committee, namely, the operational activities for development. The present debate would make it possible not only to take stock of the progress achieved so far, but also to take account of the challenging tasks that lay ahead to expand the activities, improve the quality of the programme and continuously reorient it to the needs of the developing world. All that was of particular relevance for the success of the International Development Strategy of the Second United Nations Development Decade (General Assembly resolution 2626 (XXV)). In that connexion, he drew the Committee's attention to Economic and Social Council resolution 1615 (LI) concerning financial contributions to the United Nations Development Programme, in which the Council, after mentioning the grave problems created by the inadequate level of contributions to the Programme and the consequent impossibility of doubling the Programme's resources by 1975 as the Administrator of UNDP had hoped, requested the Governing Council to

review its planning estimates and urged Governments to increase their contributions to the Programme. The Indian delegation felt that it would be appropriate for the General Assembly to endorse the Council's resolution at the present session and hoped that many other delegations would support its view.

6. Concerning the United Nations Capital Development Fund, his delegation deplored the fact that the Fund had not yet become an effective operational instrument. In its view, the Fund could become effective, particularly in the context of developing links between various developing countries in the field of trade and economic co-operation. A number of developing countries, including India, were now in a position to provide at competitive rates a wide range of products and equipment generally better suited to the needs of the developing countries than that manufactured in the developed countries. That kind of assistance therefore was doubly advantageous, for, in addition to assisting the recipient countries, it encouraged the growth of exports from other developing countries. His delegation could not over-emphasize the need for the UNDP Administration to bear that circumstance in mind in its procurement operations. Furthermore, it noted that at the moment equipment procurement tended to be concentrated in a handful of countries, although a much wider range of sources of supply was available and needed to be utilized.

7. With regard to the United Nations Volunteers programme, India had made a token contribution to the Special Voluntary Fund as an earnest of its faith in the new programme; it hoped that a growing number of countries would participate in it and that the General Assembly would adopt the draft resolution on the subject submitted by a number of delegations.

8. The Indian delegation had listened with interest to the report of the Commissioner for Technical Co-operation, for it attached great importance to the regular programme of technical assistance and considered it the necessary complement to the activities of UNDP. It welcomed the adoption by the Economic and Social Council at its fifty-first session of resolution 1601 (LI) which would serve to strengthen the regional economic commissions. It hoped that the Assembly would in due course endorse the resolution, particularly since Part VI of the budget was increasingly oriented to service of the least developed among the developing countries.

9. With regard to the question of custodianship of UNDP funds, the Indian delegation, while not entirely persuaded by the arguments of the Advisory Committee on Administrative and Budgetary Questions¹ felt, for other reasons, that it would be premature to take a decision now. It was clearly stated in paragraph 30 of the Consensus adopted on the subject by the Governing Council of UNDP (see General Assembly resolution 2688 (XXV), annex) that the Secretary-General would continue as custodian of Programme funds, but decisions regarding the programme investment portfolio would be reached in agreement with the Administrator, subject to a full report on the arrangement and review by the Governing Council at its twelfth session. Under the present arrangements, the Secretary-General was

responsible for investments, but investment policies were determined in consultation with the Administrator of UNDP and his staff. Thus the Consensus required no change in the present arrangements. In addition, the financial situation of the Organization being what it was, it was desirable that the Secretary-General should continue to have custody of UNDP funds. Finally, the links between UNDP and the United Nations should be preserved and no decision should be taken which might weaken them. The Administrator's suggestion might be adopted at some future stage, provided the Organization's financial situation improved.

10. With regard to the important question of the expansion of the Governing Council's membership, in principle, the Indian delegation had no difficulty in accepting the proposal, in view of the growth of UNDP itself; it hoped, however, that all concerned would be duly consulted before the additional seats were allocated and that the allocation would continue to be in accordance with the principle enunciated in General Assembly resolution 2029 (XX) of 22 November 1965.

11. The Indian delegation reserved its right to comment in greater detail on the various draft resolutions which had been proposed.

12. In conclusion, he paid a tribute to the work accomplished by the Administrator of UNDP during his long years of service. His example could not fail to inspire all who were concerned with promoting development and international co-operation in the economic and social field. His delegation proposed that the Committee should include the following paragraph in its report to the General Assembly:

“On the eve of his retirement as Administrator of the United Nations Development Programme, the Committee expressed its deep appreciation and gratitude to Mr. Paul Hoffman for his untiring dedication to the cause of economic and social development throughout the world”.

13. Mr. GOBBA (Egypt) expressed his regret that Mr. Paul Hoffman was leaving his post as Administrator of UNDP. He supported the Philippines representative's proposal that the statement by Mr. Hoffman at the preceding meeting should be circulated as an official Committee document and proposed that a paragraph paying a tribute to him should be inserted in the Committee's report.

14. He welcomed the fact that initial steps had been taken to implement the provisions of the Consensus on the capacity of the United Nations development system. He emphasized the importance of financial contributions to the Programme and quoted the following excerpt from paragraph 13 of the Consensus: “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”. Whereas that average was 15 per cent annually, contributions had increased by only 8.4 per cent, thus prompting the Administrator of UNDP to fix the annual increase in resources at only 9.6 per cent. His delegation considered that rate inadequate and supported the efforts undertaken to review it in the light of the provisions of the consensus and the International Development Strategy for the Second United Nations Development Decade.

¹ See DP/L.174/Add.1.

15. With regard to the review of the criteria to be followed in calculating indicative planning figures, he believed that it was right and just to accord special treatment to the least developed countries. In that connexion, his delegation saw merit in the views expressed during the twelfth session of the Governing Council of UNDP to the effect that funds which became available for programming over and above the 1973 level should be allocated to those countries with a *per capita* gross national product of less than \$1,000.

16. His delegation took note of the establishment of the four regional bureaux, with the understanding that additional ones might be established when appropriate in order to meet the needs of the various geographical areas. As to the Bureau for Programme Analysis and Policy Planning, his delegation believed that its importance depended to a great extent on its ability to formulate long-term plans which would truly reflect the goals and objectives of the International Development Strategy.

17. In the same context, he expressed his concern regarding the possible overlapping between the work of the Advisory Panel on Programme Policy and similar efforts in other forums.

18. With regard to the approval of projects, his delegation believed that the following elements must be taken into account if a solution was to be found: the provisions of paragraphs 18, 20 and 23 of the Consensus must be observed; the experience gained by the Programme's Administration should serve as guidance; and the current efforts to enhance the capacity of the Governing Council should be allowed to reach fruition.

19. On the latter point, his delegation considered it necessary to ensure to the Council a better representation of views, to ensure to it better circumstances for the discharge of its task—namely, through increased financial contributions to the Programme—and, lastly, to ensure that projects formulated and approved had a greater impact on the economies of the countries where they were executed.

20. Turning briefly to the question of the United Nations Volunteers programme, he emphasized that financial contributions to the Volunteers programme were required in addition to those allocated to UNDP and expressed the hope that volunteers from developing countries would be called upon more often.

21. In conclusion, he urged all countries to participate actively in and contribute to the United Nations Capital Development Fund.

22. Mr. JOSEPH (Australia) said that UNDP, on the basis of the guidelines laid down in the consensus of the Governing Council, was endeavouring to maintain enough flexibility in policies and procedures to be able to adjust to circumstances. His delegation believed that the consensus offered a solid basis for the administrative and procedural changes now being implemented. It attached considerable importance to the basic concept of country programming, whereby the priorities set by the developing countries themselves were placed at the centre of the development process. It must be recognized that every time UNDP resources were set aside for special purposes, the amount of

resources available for the execution of country programmes was reduced. Consequently, Australia was generally opposed to the idea of other agencies directing UNDP to earmark resources for special purposes. For the same reason Australia generally opposed the growing proliferation of special funds, for such new funds were unlikely to reflect the priorities established by the developing countries.

23. In accordance with the principles laid down in the consensus, the Administrator of UNDP had placed before the Governing Council at its eleventh session in January a new pattern of organization. The part of the Consensus that established the twin principles of the Administrator's full accountability for the Programme and the decentralization to the country level had given rise to serious difficulties, as delegations had placed greater importance on one or the other principle. It had been decided that the reorganization proposed by the Administrator should proceed, but on a provisional basis, pending a review of the organization, methods and general procedures of UNDP at the fourteenth session of the Governing Council. His delegation believed that, certain weaknesses notwithstanding, the Administrator's proposals represented a fair attempt to give effect to the principles of the Consensus.

24. Turning next to the question of follow-up investment, he said that according to UNDP documents, new investment directly stimulated by UNDP activities had passed the figure of \$1,000 million in 1970, or twice the investment estimated to have been similarly generated in 1969. The situation had not always been so encouraging, in view of the reluctance on the part of potential investors to accept the findings of UNDP as a basis for investment decisions. There had also been complaints about the failure of UNDP feasibility studies to answer clearly and directly potential investors' questions about the economic and financial viability of a particular project. His delegation was therefore pleased to note that progress had been made in that area and welcomed the decision by UNDP to appoint investment advisers to each of the regional bureaux.

25. As to the question of UNDP resources, the Administrator had assumed that the rate of growth in the resources likely to be available to UNDP would be 9.6 per cent, in accordance with the terms of the consensus. However, he had expressed the hope that the Programme would double by 1975, which would require a rate of growth of funds at 15 per cent *per annum*. Many delegations, mainly from developing countries, had hoped that funds available would indeed increase by 15 per cent annually, and had viewed the 9.6 per cent rate as only a hypothetical minimum. Other delegations, mainly from contributing countries, had pointed out, however, that it was far more important to use a realistic assumption. Many delegations from developed countries had expressed the hope that the restructuring of the Programme would lead to greater capacity for more rational and efficient utilization of resources; they had stated, however, that until such capacity had been demonstrated, it would not be possible to guarantee the doubling of the Programme's resources.

26. When Governments came to determine their aid estimates each year, they faced a difficult choice, not only between domestic and overseas demands, but also between

the competing claims of various aid programmes and multilateral organizations. The Australian Government concentrated its development assistance in the Asian and Pacific region, where its bilateral aid programme had exceeded \$180 million in 1970. Australia was also a major contributor to the Asian Development Bank, the World Bank Group and the World Food Programme. Moreover, its emergency relief to the people of East Pakistan exceeded \$5 million. It was therefore unfair to judge a Government on the basis of its aid to a single agency, such as UNDP, particularly since, as in the case of his own country, the net flow of resources in 1971 from Australia to the developing countries would probably reach 1.1 per cent of its gross national product for the second consecutive year, a figure which exceeded the target fixed by the Strategy. That meant that Australia ranked third in terms of the percentage of its gross national product allocated for development assistance; it was also worth noting that virtually all such aid was provided in the form of grants rather than loans. In the case of UNDP, following a detailed appraisal of competing demands, Australia had decided not to increase its contribution for 1972.

27. His Government was concerned about the fact that administrative and programme-support expenditures had been rising to the point where, between 1966 and 1970, the administrative budget had increased by 80 per cent, while resources pledged by countries had risen only 45 per cent. To that must be added the overhead costs paid to the specialized agencies for executing UNDP projects; those costs had increased to such an extent that in the future, one quarter of total UNDP resources would be spent on administration and overheads. The need for reform was evident, especially if it was recalled that in Australia's bilateral aid programme, only 5 per cent of expenditures was for overhead. The decision to establish a Budgetary and Finance Committee of the Governing Council of UNDP was therefore welcome. Moreover, UNDP expenditures might increase still further if the cost-sharing arrangement entered into with FAO were extended to other agencies. Economies could perhaps be achieved if many of the additional costs borne by agencies as a result of their execution of UNDP projects could be identified more accurately. Studies in progress might reveal that in some areas it could be cheaper and more efficient for UNDP to deal directly with subcontractors.

28. With regard to the regional distribution of projects, his delegation believed that, in view of the relatively successful efforts made by the developing countries of Asia and the Pacific in the over-all improvement of their economic situation, that region should receive increased assistance. Since the Fund of the United Nations for the Development of West Irian would be phased out by 1973, his delegation felt that UNDP should allocate additional resources to that area, if only to follow up the technical assistance activities and projects that had been carried out under the Fund, particularly since West Irian was one of the least developed among the developing countries.

29. As to the draft resolution originally sponsored by the Philippine and Indonesian delegations concerning enlargement of the Governing Council, his delegation saw no real problems in having that question discussed at the current session of the General Assembly rather than waiting until

the next session of the Governing Council. It had no objection to enlargement itself, but it did object to the proposed geographical distribution of the additional seats. Since UNDP, unlike other United Nations organs, disposed of large sums of money contributed by a relatively small group of countries, a better balance should be achieved in the Governing Council between the seats allocated to the developed and to the developing countries.

30. In conclusion, his delegation wished to convey to Mr. Hoffman its deep appreciation for his work in putting UNDP on a firm footing.

31. Mr. EKBLÖM (Finland) said he wished to join in paying a tribute to Mr. Hoffman and in thanking him on behalf of the Finnish Government.

32. UNDP was in a critical transitional period, and its Governing Council had to bear the heavy responsibility of implementing the decisions of its last three sessions. His delegation was pleased to note that a large number of countries was already engaged in working out country programmes. It had full confidence in the ability of UNDP headquarters to guide and co-ordinate the increased resources that would be put at the disposal of the Programme. Because of the current decentralization, the success or failure of UNDP would, even more than before, depend on its performance in the field. His delegation was pleased that the participating and executing agencies were willing to co-operate with UNDP in bringing about a really integrated and co-ordinated development effort and in recognizing the co-ordinating role of the resident representatives. The remaining tasks were to ensure the quality of the programme and to obtain the necessary increased resources. In that connexion, his delegation was concerned about recent trends in the support given by countries to UNDP, and it was therefore pleased to note the pledge by the delegation of the United Kingdom. In his Government's view, one element of the efficient use of resources was the extent to which international competitive bidding was obtained in connexion with contracting and procurement. It was important that the whole international community should participate not only in the financing of projects, but in their execution. His Government would continue to give its full support to UNDP, which had a crucial role to play in the implementation of the International Development Strategy.

33. Mr. ISAKSEN (Denmark) said he wished to convey to Mr. Hoffman his delegation's profound gratitude for his tireless work for the cause of development.

34. His delegation was convinced that the reform which UNDP was undertaking would give it an even more important role to play within the framework of the International Development Strategy for the Second Development Decade, and it was pleased to learn that the first country programmes would be ready for the next session of the Governing Council. Those programmes would hopefully have an effect far beyond the limited resources which UNDP was able to make available for individual countries. The establishment of country programmes was a first step towards a more integrated approach to development. The participating and executing agencies, as well as all sources of multilateral and bilateral aid, should co-ordinate their

assistance activities so as to ensure that all assistance to development would be utilized in the best possible way in accordance with the priorities established by the developing countries.

35. It was to be hoped that the Governing Council of UNDP, when reviewing the criteria governing the indicative planning figures, would take full account of the needs of the least developed countries, the need for correcting certain historic inequities, and the possibility of a formula under which the more developed of the developing countries would assume a larger share of project costs.

36. It was unfortunate that despite the provisions of Economic and Social Council resolution 1615 (LI) and the decisions taken by the Governing Council at its eleventh session, the previous year's pledges had not even risen by 9.6 per cent. However, planning estimates must be based on the realities of the situation in order not to raise unwarranted hopes.

37. With regard to the technical co-operation activities undertaken by the Secretary-General, his delegation was pleased with the efforts to give new orientation to the United Nations regular programme through a better selection of fields of activities, types of assistance, and countries to be assisted. His country welcomed the emphasis which was being placed on assistance to the least developed among the developing countries as well as the assurance that projects under the regular programme would form part of country programmes. It hoped that broad agreement could be reached on the new efforts to increase the resources of the programme in accordance with Economic and Social Council resolution 1601 (LI).

38. He was satisfied to learn of the progress that had been made in connexion with administrative arrangements for the United Nations Volunteers programme. The technical activities of that programme should be financed primarily out of UNDP resources within the indicative planning figures for country programming. His delegation agreed with the Economic and Social Council that the Special Voluntary Fund should be used to pay the external costs of volunteers from developing countries for whom financing was not otherwise available; that would make the programme truly universal. Local costs should in principle be paid by the recipient country. Provision should be made, however, for the financing, in certain exceptional cases, of such costs either by UNDP or by the Special Fund, if the Fund would have sufficient resources to cover that purpose.

39. Mr. CAVAGLIERI (Italy) said he wished to pay a tribute to the Administrator of UNDP and to convey to him his deepest feelings of esteem, admiration and appreciation.

40. The work of the Governing Council of UNDP during 1971 had been of particular interest, and his delegation shared the view that the Council had overcome serious difficulties, particularly those connected with the organization of the UNDP secretariat. It was glad to see that four regional bureaux were already preparing the first country programmes, and it had taken note of the progress achieved by the Volunteers programme. It welcomed the Council's decision to establish a Budgetary and Finance Committee.

What was more, the new role of the Inter-Agency Consultative Board, under the decision taken at the twelfth session of the Governing Council, also seemed very important. The Council should be kept informed of the deliberations of the Board, particularly so that it could be aware of the activities of the executing agencies. His delegation agreed with other delegations that the Advisory Panel on Programme Policy should not be institutionalized. With regard to follow-up investment, it felt that pre-investment studies would be of no value if efforts were not made to attract funds in order to follow up implementation of the preliminary work. Moreover, it would not be sensible to invest large amounts in establishing the feasibility of a programme if it was not reasonably certain that a programme which was considered feasible would be carried out. His delegation felt that the question of the enlargement of the Governing Council deserved careful consideration.

41. Mr. MOBARAK (Lebanon) paid a tribute to Mr. Hoffman, who had become a figure in the economic history of the underprivileged countries, and had shown unshakeable faith and courage in working for their development. His dynamism and persistence had been essential to the development of the countries of the third world, and he had striven to give them a smooth economic take-off. He expressed his Government's gratitude to UNDP, and reaffirmed his country's faith in the Programme's ideals; he announced that, subject to parliamentary approval, his Government was pledging an increase of 15 per cent in its contribution to UNDP for 1972 over the 1971 amount—an increase which bore witness to Lebanon's recognition of UNDP's monumental work. As the Minister for Foreign Affairs of Lebanon had stated to the General Assembly at its 1944th plenary meeting, on 29 September 1971, it would be unrealistic to hope to bring about true international peace without squarely confronting the crucial problems of under-development, since it was unacceptable for hundreds of millions of people to continue to live under inhuman conditions, at the mercy of ignorance, disease and hunger.

42. His delegation approved the increase in the membership of the Governing Council of UNDP. Obviously the expansion of UNDP and the doubling of its resources by 1975 would require a larger and, consequently, more representative Council. His delegation would therefore vote in favour of draft resolution A/C.2/L.1146.

43. With regard to the United Nations Volunteers programme, he was grateful to His Imperial Majesty the Shahinshah of Iran for having been the first to conceive of such a programme and wished to congratulate the Co-ordinator for the progress already made. He emphasized the quality and usefulness of that programme, which met the growing desire of young people to participate in constructive work mainly for the benefit of under-developed countries. The United Nations Organization would, in return, find a valuable asset in the co-operation of the younger generation.

44. The developing countries should make use of the Volunteers programme but it could only achieve its objectives in so far as the recipient countries ensured the corresponding participation of local volunteers. Moreover,

it was important that UNDP should continue to support the programme, both financially and administratively. In his opinion the Volunteers programme was a means of consolidating international co-operation and stimulating the participation of a country's youth in its development.

45. His Government had already pledged its contribution to the Volunteers programme and it hoped that many other developing countries would do likewise and that the specialized agencies would give the programme the fullest possible co-operation. At its fifty-first session the Economic and Social Council had adopted a resolution to that effect.

46. As a co-sponsor of draft resolution A/C.2/L.1145, his delegation hoped that the Committee would adopt it.

47. Mr. KANKA (Czechoslovakia) said that his Government attached great importance to the current reorganization of UNDP, which should be aimed at increasing its effectiveness in the field of technical co-operation and utilizing in the best possible way the funds at its disposal to further the economic and social development of the underprivileged countries.

48. In the past two years, at the initiative of member States, the Administrator of UNDP and his staff had done very useful work in reorganizing the Programme. In 1970, the Governing Council had approved a statement of consensus containing fundamental principles for the current reorganization. His Government had supported that Consensus, which it considered a positive document, although it realized that the translation of the document into practice would not be a simple matter. It was therefore necessary that the principles stated in the Consensus should become part of the practical activities of UNDP and not remain a dead letter. His delegation believed that the draft omnibus statute² could be considered the charter of UNDP because it would give legal affirmation to all changes resulting from the reorganization, whether they were institutional arrangements of the system or practical activities. The omnibus statute would become an important document and should for that reason be drafted with the greatest care. On the basis of those considerations, his delegation had proposed to the Governing Council at its twelfth session that the Council should confine itself, at that session, to a general discussion of the omnibus statute and that it should take up the question again at the following session. Many other delegations had expressed the same view, and the States members of the Governing Council would now be able to study in detail the draft omnibus statute and have time to prepare any comments they had to make.

49. His country's membership of the Governing Council of UNDP would end on 31 December 1971, and his delegation would be unable to express its views on the draft statute at the next session of the Council. For that reason he would take the opportunity to make some remarks on the question.

50. His delegation was convinced that the chief merit of UNDP was that it was an institution through which wide international co-operation could be effected. It was able to fulfil that role because practically all countries co-operated

with it by paying contributions, defraying part of the costs allocated to projects, assuming responsibility for local costs, taking part in subcontracts and providing experts, equipment, scholarships and so forth. His delegation therefore recommended that the draft omnibus statute should stress the need for strengthening international co-operation and emphasizing the need of each country concerned to reform its social structures as a prerequisite for dynamic development.

51. Article II of the draft omnibus statute stated the general principles which would govern the furnishing of assistance by UNDP and stipulated, *inter alia*, in paragraph 1 (e) that "there should be no distinctions arising from the political structure of the countries requesting assistance . . .". His delegation believed that that provision had been drafted in unduly general terms and that it would not exclude, for example, assistance to countries acting contrary to the Charter of the United Nations.

52. Nor could his delegation approve the wording of articles IV and XXXIV of the draft, which concerned participation in UNDP and the election of members of the Governing Council, since it believed that the provisions of those articles were of a restrictive and discriminatory character. His delegation considered it inadmissible that one of the most advanced countries in the world, the German Democratic Republic, was excluded from membership of UNDP. Such a policy gravely endangered international co-operation.

53. The financial resources of UNDP were derived mainly from voluntary contributions by member States. His delegation therefore believed that Governments of member States should have the right to decide on the currency in which their contribution would be paid and could not endorse the wording of article V, paragraph 3 on the question. On the other hand, it would not object if that article contained a recommendation to Governments of member States that they should pay their contributions in convertible currencies, provided that it also stipulated that Governments could also pay their contributions in their national currency. In the light of his country's experience, his delegation was sure that, if the Governing Council of UNDP and the Governments concerned showed goodwill, contributions in national currencies might be effectively and purposefully utilized. His delegation was confident that the reorganization of UNDP would be successfully completed and that, as a result, international technical co-operation would be strengthened and improved.

54. At a time when Mr. Hoffman was preparing to leave his post as Administrator of UNDP, his delegation wished to express its gratitude to him for the relatively democratic procedures he had introduced in UNDP and for his efforts to secure financial resources for UNDP. Regarding the choice of a new Administrator, he stated that his delegation would support any candidate who was prepared to eliminate the negative aspects of the practical activities of UNDP that it had criticized at earlier sessions of the Governing Council, to pursue the democratic procedures now observed in UNDP and to do his utmost to obtain additional financial resources from those countries which had derived—or were still deriving—enormous profits from the developing countries.

² DP/L.177/Add.1.

55. Mr. BAYÜLKEN (Turkey) wished to thank the Administrator of UNDP, the Commissioner for Technical Co-operation and the Co-ordinator of the United Nations Volunteers programme for the encouraging reports they had given at the previous meeting of the accelerating activities of the Programme as a whole.

56. With particular reference to the United Nations Volunteers programme, he paid a tribute to His Imperial Majesty the Shahinshah of Iran who had taken the initiative in 1968 in proposing the establishment of the programme. At a time when the problems raised by the development of poor countries, the "brain drain", the lack of qualified personnel and the technological gap between developing and developed countries were becoming increasingly acute, the United Nations Volunteers programme could play an important part in solving those problems. Unfortunately, as the Co-ordinator had stated, that programme—like all other agencies of the United Nations system—did not have sufficient funds because countries were slow in responding to the appeal made by the General Assembly in its resolution 2659 (XXV).

57. He was pleased to state that his Government had pledged \$2,500 for the Special Voluntary Fund set up to support the activities of the United Nations Volunteers and he hoped that other countries, international organizations, voluntary agencies and individuals would, in their turn, contribute generously to that Fund. He also urged the specialized agencies, voluntary organizations and agencies working in the field to channel volunteers to United Nations-assisted projects.

58. He stressed the very special importance of the Volunteers programme for the least developed among the developing countries, which were suffering from a grave shortage of qualified personnel and financial resources. That shortage was hampering the execution of certain development projects and, as a result, such countries were not able to employ United Nations Volunteers. He would therefore like to suggest that the Governing Council of UNDP should consider meeting the costs of employing United Nations Volunteers for projects within the least advanced developing countries.

59. His delegation hoped that, at its next session, the Governing Council of UNDP would take the measures necessary to improve the organization of the Volunteers programme and would choose the site of its headquarters in keeping with the location of the headquarters of the various United Nations bodies involved and other volunteer organizations.

60. Observing that his delegation was one of the co-sponsors of draft resolution A/C.2/L.1145, he hoped that the Committee would be able to adopt it without any difficulty.

61. He wished to thank Her Imperial Highness Princess Ashraf for honouring the Committee by her presence and expressed his delegation's congratulations to the Government of Iran on the occasion of the 2,500th anniversary of the Iranian State.

62. He reserved the right to take the floor, if it should prove necessary, to discuss other subitems of agenda item 44.

63. Mr. MAKEEV (Union of Soviet Socialist Republics) said that operational activities for development, which accounted for a large part of the United Nations budget, were of particular interest to the developing countries. It was for that reason that the USSR supported the activities of UNDP, which was the chief United Nations organ competent in that field and which could do a great deal to lighten the task of countries which, after a long period of colonial oppression, were struggling to attain economic independence.

64. In accordance with the precepts of Lenin, the USSR was giving more and more assistance to the developing countries, particularly in the construction of factories and schools. Its assistance was designed to increase the means of production; the buildings constructed often supplied a large proportion of the national production of the country concerned. For example, during the financial year 1968/1969 India had earned 412 million rupees in foreign exchange from the export of products manufactured in an ironworks constructed with USSR assistance.

65. In addition to providing such bilateral assistance, the USSR participated in the activities of UNDP. The latter, however, did not take full advantage of the resources made available to it by the USSR; the total of unexpended USSR contributions was constantly rising and Soviet experts represented only 2 per cent of the 8,848 experts whose services were used by UNDP. That was why the USSR had endorsed the idea of a study of the capacity of the United Nations development system and why the USSR representatives had taken an active part in drawing up proposals for the reorganization of UNDP.

66. In accordance with General Assembly resolution 2688 (XXV), the Governing Council of UNDP had established a draft omnibus statute on the basis of the consensus it had adopted in 1970. All those documents had been prompted by the desire to reorganize UNDP as quickly as possible. The omnibus statute of the Programme, however, was by no means ready and his delegation did not share the optimism expressed by the UNDP administration (see E/4804, para. 198). The steps taken were often disjointed and the unproductive administrative expenses accounted for 25 per cent of the resources. The decisions of the Governing Council were not being put into effect and the consensus was likely to remain a dead letter. For example, it was stated that the resident representatives had been given a greater role in project selection, whereas the Governing Council had wanted to extend their co-ordinating role. Similarly, according to paragraph 199 the Inter-Agency Consultative Board had "an enhanced policy interest", whereas the General Assembly had assigned it a consultative role. According to the consensus, Governments were responsible for initiating and directing the projects and the Governing Council examined and approved the programmes and controlled the use of the resources. Those questions were not within the competence of IACB.

67. While there were some positive aspects, there were certain shortcomings which had prevented UNDP from being an effective instrument of international co-operation. Of the 432 pre-investment projects, only 38 had led to investments of capital; UNDP was still neglecting the questions of industrial development and international trade

and was not associating UNIDO and UNCTAD sufficiently in the implementation of its projects; on the other hand, IBRD was playing an ever-increasing role. Contrary to the principles of the United Nations, however, the IBRD imposed conditions for the provision of its assistance to the developing countries and its decisions were not taken democratically. The relations between the UNDP authorities and the Bank had already been criticized by many representatives.

68. If it was to be effective, UNDP should take into account the great problems of the day, such as the armaments race, and should consequently refuse to grant any assistance to countries which were taking part in the aggression against Viet-Nam and against the Arab peoples. Moreover, as a result of the discriminatory attitude of the UNDP authorities, the developing countries were deprived of the assistance of industrially developed countries such as the German Democratic Republic. In addition, the UNDP authorities should apply the principle of equitable geographical distribution, both at headquarters and in its field services.

69. Lastly, his delegation thought that the United Nations programme of technical co-operation should be transferred to UNDP and it maintained its position with regard to the resolutions adopted at the last session of the Economic and Social Council on the questions of special advisory services on natural resources, the United Nations Volunteers programme and financial contributions to UNDP.

70. Mr. HU (China) paid a tribute to Mr. Hoffman, to the Commissioner for Technical Co-operation, and to the Co-ordinator of the United Nations Volunteers programme, as also to their associates and the co-operating agencies. He welcomed the work accomplished by UNDP and had been heartened by the facts that UNDP had been able to evaluate the proposed programmes entirely on their own merits and expand its activities at the beginning of the Second United Nations Development Decade. In that connexion, he wished to draw particular attention to the value of the programmes that had a direct bearing on the promotion of investment, industrialization and trade which was vital to the economic growth of the developing countries. His delegation had also been encouraged by the move towards country programming, the enlargement of the role of the resident representatives and the arrangements for closer co-operation with the governments of the recipient countries and with regional and subregional organizations in the United Nations family. It had always been his delegation's view that programmes should be so designed as to meet the specific requirements of the recipient country to the fullest extent possible. The move toward decentralization would help bring that about. While it hoped the UNDP would receive much more support and would increase its activities still further, his delegation could not but express its heartfelt sorrow at the departure of the Administrator, whose dedication and achievements deserved the deepest gratitude.

71. Mr. GUMBS (Guyana) welcomed the significant shift in the operations of UNDP in the matter of programming. The establishment of country programming was proving of great benefit to recipient countries in that it enabled them to formulate an "integrated package" request for assistance

on the basis of three to five-year plans. Those new arrangements were evidence of the willingness of the organizations in the United Nations system to establish a closer link between their activities and national planning, an achievement which would make it possible to make the maximum use of the funds available. In view of the considerable authority now entrusted to the Resident Representatives of UNDP, his Government, realizing that those representatives should be not only fully competent but fully acquainted with the principles and aspirations of the countries to which they were assigned, was glad that it would henceforth have some say in the selection of the resident representatives.

72. His delegation hoped that UNDP would be able to extend the scope of its activities beyond the financing of pre-investment studies. The developing countries could no longer afford to fritter away a substantial amount of their UNDP assistance on the payment of experts, for experience showed that the practical benefits of the reports submitted by experts were often diminished by the fact that the experts were not able to take fully into account the social and environmental conditions in the countries to which they were sent. That was why his Government insisted that, in granting it assistance, UNDP should call upon Guyanese experts or, if necessary, experts who were familiar with conditions similar to those obtaining in Guyana.

73. Considering that IBRD was the agency primarily concerned with financing investment projects, his delegation felt obliged to point out that the Bank was reluctant to take "risks" in the countries of the third world. It was therefore essential that closer co-operation should be established between UNDP, IBRD and other financial institutions, so that the vicious circle could be broken and UNDP could be allowed to make full use of its resources.

74. His Government had repeatedly urged that the aid it received should be less "tied". It was only natural that recipient Governments should wish to spend the funds granted to them in their domestic markets. His Government was therefore glad that, under the aid arrangements concluded with UNDP, it was allowed to purchase the capital goods it needed for development from local producers and, where possible, from the cheapest sources of supply.

75. His delegation urged that UNDP should concern itself with projects which would allow developing countries proper control of their natural resources and, by so doing, would put an end to the foreign exploitation and neo-colonialism to which they were subjected.

76. His delegation was in favour of increasing the membership of the Governing Council of UNDP to give it a more representative character.

77. Lastly, it expressed regret that the United Nations Capital Development Fund had had so little success and it hoped that it would soon become an effective instrument for development.

78. Mr. WEITZ (United Nations Food and Agriculture Organization) congratulated the Co-ordinator of the United Nations Volunteers programme on the statement that he had made at the preceding meeting. He wished to provide a

few details of FAO's co-operation with the Volunteers programme. Like his predecessor, the Director-General of FAO had always shown a keen interest in the involvement of youth in the development process. A special Youth Assembly had been held in Rome in 1965 and, since then, through the Freedom from Hunger Campaign and through its various departments, FAO had used a considerable number of volunteers. Those contacts with young people had been strengthened at the Second World Food Congress, held at The Hague in 1970, when the participants, among them many young people, had requested that the United Nations and FAO should set up machinery to support the growth of national volunteer services and ensure the increased participation of both foreign and national volunteers in development projects. That was one of the reasons why FAO had warmly welcomed the United Nations Volunteers programme and had from the very start placed its own experience at the disposal of the programme. The Director-General would continue to assist Governments to recruit suitable volunteers to take part in development projects through contacts which FAO had established for many years with governmental, non-governmental and international organizations.

79. Through agreements that it had concluded with all the governmental and non-governmental volunteer-sponsoring

organizations, FAO had already been able to employ the services of several hundreds of volunteers in various technical fields and it was now handling the basic elements of the new programme. The new channel provided by UNDP would make it easier to use the services of volunteers. It was clear that each participating agency would have its own part to play and that the volunteer component would be a factor to be taken into account in the preparation of plans of operation within the country programming. FAO intended to encourage and support the Volunteers programme, in the interest of better co-ordination and improved procedures. Nevertheless, FAO would continue its bilateral assignments where and when the United Nations Volunteer programme had not yet reached agreement with the country. Thus for some time FAO would find itself involved in both types of programme and would continue to co-operate to the fullest extent in both for the whole of the transitional period.

80. FAO was convinced that the volunteers would represent a practical support for its field activities and would help in the long-term task of informing the public of the activities of the United Nations family.

The meeting rose at 6.15 p.m.