

Distr.  
LIMITED

DP/1994/L.4/Add.1  
9 June 1994

Original: ENGLISH

Annual session 1994  
6-17 June 1994, Geneva

DRAFT REPORT ON THE ANNUAL SESSION

Addendum

III. FUTURE OF UNDP

1. The Administrator introduced the item, stating that the first annual session of the Executive Board constituted a watershed in the governance of UNDP which had already led to a far more intimate consultative relationship between the Members and UNDP. He explained that his official statement was contained in document DP/94/39, entitled "Initiatives for change". The Administrator reaffirmed the underlying principles of UNDP: universality, neutrality and non-conditionality, and the grant nature of its assistance. He stated that UNDP looked forward to working with all of its programme countries on the basis of their national priorities. The five reasons for change were as follows: a changing world; critique of official development assistance (ODA); a changing United Nations following the end of the Cold War; assessments of UNDP that pointed out the lack of clear mission and focus; and changes in financial resources, with a declining share of ODA and with increasing needs for emergency humanitarian and peace-keeping purposes.

2. What the Administrator sought in the "Initiatives for change" paper was to forge several emerging concepts and issues into a clearer mission and focus

for the organization. The focus was built on the framework of sustainable human development, which had been developed in response to national priorities, and constituted an attempt to address the most crucial issues facing countries in their development. It was based on the frameworks established by the General Assembly and the Governing Council and the United Nations Conference on Environment and Development.

3. The Administrator underlined that the concept of sustainable human development was in no way inconsistent with the sovereign right of countries to determine their own priorities nor did it imply the establishment of any form of conditionality. Rather, the establishment of focus areas allowed UNDP to serve better, with greater effectiveness, areas determined by Governments themselves as being of highest priority and urgency. This mission had been outlined at the February 1994 Board session of the Executive Board. The initiative for change contained a series of measures that the Administrator was proposing to strengthen UNDP and its ability to serve programme countries. His aim was to propose measures that built on the guidance which the Board had given him in the past.

4. The Under-Secretary-General for the Department of Development Support and Management Services (DDSMS) addressed the Executive Board. DDSMS greatly welcomed the priorities for UNDP action, as expressed in the "Initiatives for change" paper. He shared with the Administrator the importance of collaboration between UNDP and DDSMS, as both entities were undergoing restructuring. DDSMS was developing closer links, he explained, citing the joint task force on strengthened substantive support to UNDP.

5. Delegations expressed their broad support for and appreciation of the Administrator's initiative. His ideas were innovative and forward-looking, some delegations stated, and based on solid convictions. Most congratulated the Administrator for the progress in defining the future of UNDP and for his explanation of the organization's goals and thematic priorities. The intellectual effort applied to examination of the future of UNDP was commendable. It clearly fulfilled the programme of action promised to the Board by the Administrator at its first regular session. Several delegations noted that sustainable human development was completely in line with their own national objectives. Many called it an excellent set of initiatives and

underlined their general agreement with the goals and patterns of action specified. Some delegations said it could be an important input to the implementation of the Secretary-General's Agenda for development. The concept of sustainable human development was generally welcomed by speakers, with some requesting further clarification on how it would be put into practice. Several speakers asked for a clear definition of focus and a time-frame for implementation. The need for reference to national priorities was also emphasized. One delegation noted that the sustainable human development paradigm could not be applied uniformly to all countries.

6. Regarding the areas of focus contained in the Administrator's report, some delegations cautioned that UNDP should not become involved in political issues and underlined the need for respect of State sovereignty regarding governance. The four areas outlined were broad and several delegations expressed the need for a clear programme. The focus could be complemented with the country strategy note, one delegation noted. In reassuring delegations regarding the issues raised, the Administrator re-emphasized the neutrality and non-conditionality of UNDP assistance.

7. Several delegations stated that UNDP must spend carefully during the current period of limited resources, with one delegation specifying the need to invest better in human capital. One delegation suggested a more flexible allocation of resources than that currently used in the indicative planning figure (IPF) system.

8. There was widespread support for the task forces established with United Nations system development partners. It was asked that UNDP deepen its partnerships with other United Nations agencies and other entities and emphasize a rational division of labour. Several delegations enunciated strong support for the role of UNDP in coordination at the country level and asked for the strengthening of the Resident Coordinator function. Some delegations stated that sustainable human development provided the right framework for strengthened aid coordination. Several underlined the importance of General Assembly resolution 47/199 as a tool for coordination. Institutional changes included in the Administrator's report were generally supported. One delegation requested UNDP to provide a new organizational chart and corporate plan based on the changes.

9. A number of delegations expressed reservations about the 1994 Human Development Report, cautioning UNDP not to exceed its mandate in the economic and social sphere. The Administrator said he would take all comments into consideration and in the future ensure a more systematic peer review process in the preparation of the report.

10. The Administrator responded to questions from delegations throughout the discussion. He emphasized that the goals and objectives of UNDP would continue to be developed and shared with the Executive Board.

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