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Thirty-seventh session  
Agenda item 71 (e)

## DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION

Science and technology for developmentReport of the Second Committee (Part V)Rapporteur: Mr. Stoyan BAKALOV (Bulgaria)

## I. INTRODUCTION

1. The Second Committee held a general discussion on item 71 (see A/37/680, para 2). Action to be taken on subitem (e) was considered at its 51st meeting, on 20 December 1982. An account of the Committee's discussion is contained in the relevant summary records (A/C.2/37/SR.51).

## II. CONSIDERATION OF DRAFT RESOLUTION A/C.2/37/L.128

2. At its 51st meeting, on 20 December, the Committee had before it a draft resolution (A/C.2/37/L.128) submitted by Mr. George Papadatos, Vice-Chairman of the Committee, entitled "Long-term financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development", which he orally revised by inserting the number "21" to replace the dash in paragraph 13 of operative paragraph 1.

3. At the same meeting, the Secretary of the Committee made an oral statement on the administrative and financial implications of draft resolution A/C.2/37/L.128.

4. In the light of a request for a vote on draft resolution A/C.2/37/L.128, as orally revised, the Vice-Chairman of the Committee withdrew draft resolution A/C.2/37/L.128.

5. At the same meeting, the representative of Austria, on behalf of Austria, Egypt, Sweden and Tunisia, reintroduced draft resolution A/C.2/37/L.128, as orally revised. Guinea, Jordan, Morocco and Sierra Leone subsequently joined in sponsoring the draft resolution.

6. Also at the same meeting, the Committee adopted draft resolution A/C.2/37/L.128, as reintroduced by Austria, by a recorded vote of 108 to none, with 9 abstentions (see para. 8). The voting was as follows:

In favour: Algeria, Argentina, Australia, Austria, Bahrain, Bangladesh, Barbados, Belgium, Benin, Bhutan, Bolivia, Botswana, Brazil, Burma, Burundi, Canada, Cape Verde, Chad, Chile, China, Colombia, Congo, Costa Rica, Cuba, Democratic Yemen, Denmark, Djibouti, Ecuador, Egypt, Ethiopia, Finland, France, Gambia, Ghana, Greece, Guinea, Guyana, Honduras, Iceland, India, Indonesia, Iran (Islamic Republic of), Iraq, Ireland, Israel, Italy, Ivory Coast, Jamaica, Japan, Jordan, Kenya, Kuwait, Lesotho, Liberia, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Malawi, Malaysia, Maldives, Mali, Malta, Mauritania, Mexico, Morocco, Mozambique, Nepal, Netherlands, New Zealand, Niger, Nigeria, Norway, Oman, Panama, Peru, Philippines, Portugal, Qatar, Romania, Rwanda, Saudi Arabia, Senegal, Sierra Leone, Singapore, Spain, Sri Lanka, Sudan, Sweden, Syrian Arab Republic, Thailand, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United Republic of Cameroon, United Republic of Tanzania, Upper Volta, Uruguay, Venezuela, Viet Nam, Yemen, Yugoslavia, Zaire, Zambia, Zimbabwe.

Against: None.

Abstaining: Bulgaria, Byelorussian Soviet Socialist Republic, Czechoslovakia, German Democratic Republic, Germany, Federal Republic of, Hungary, Ukrainian Soviet Socialist Republic, Union of Soviet Socialist Republics, United States of America.

7. The representative of Belgium made a statement in explanation of vote before the vote. Statements in explanation of vote after the vote were made by the representatives of Bulgaria (also on behalf of the Byelorussian Soviet Socialist Republic, Czechoslovakia, the German Democratic Republic, Hungary, Poland, the Ukrainian Soviet Socialist Republic and the Union of Soviet Socialist Republics), Bangladesh (on behalf of States Members of the United Nations that are members of the Group of 77), Japan, the United States of America, the Federal Republic of Germany and the United Kingdom of Great Britain and Northern Ireland.

## III. RECOMMENDATION OF THE SECOND COMMITTEE

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Long-term financial and institutional arrangements for the United Nations  
Financing System for Science and Technology for Development

The General Assembly,

Recalling the Vienna Programme of Action on Science and Technology for Development, 1/ and its subsequent resolution 34/218 of 19 December 1978,

Also recalling resolution 36/183 of 17 December 1981 in which the General Assembly, in considering the long-term arrangements for the Financing System, requested the Intergovernmental Committee on Science and Technology for Development to submit its recommendations, through the Economic and Social Council, to the General Assembly at its thirty-seventh session for consideration and decision,

Taking note of the report of the Intergovernmental Committee on its fourth session 2/ and, in particular, paragraph 7 on institutional and financial arrangements of the statement of understanding of the Chairman incorporated therein, 3/

1. Decides that, in accordance with General Assembly resolution 36/183, the long-term financial and institutional arrangements for the United Nations Financing System for Science and Technology for Development shall be as follows:

I. FINANCIAL ARRANGEMENTS

1. The Financing System for Science and Technology for Development shall be organized on a voluntary and universal basis, open to the participation of all countries as full members.

2. The Financing System shall be endowed with substantial resources and shall be composed of two types of resources: core and non-core.

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1/ Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations publication, Sales No. E.79.I.21 and corrigenda), chap. VII.

2/ A/37/37 (Part I and Corr.1 and 2 and Part II). To be issued subsequently as Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 37 (A/37/37).

3/ Ibid., part two, para. 23.

3. Contributions to the core component of the Financing System shall be voluntary within the framework of a financing plan, covering a period of three years at a time.
4. The target for core resources for the period 1983-1985 shall be at least \$300 million based on a progressive build-up of resources.
5. The core resources of the Financing System for the period 1983-1985 shall be provided by developed and developing countries in freely convertible currencies.
6. Developed countries and developing countries shall contribute to the core resources of the Financing System. The pattern of contributions of both developed and developing countries will be determined in the financing plan, which will reflect a mutual and joint understanding.
7. Non-core resources will represent an important element of the Financing System and shall consist of a variety of resources, including co-financing, multi-bilateral contributions, cost-sharing, joint ventures, equity participation, trust funds and the like. The Intergovernmental Committee on Science and Technology for Development will evolve policy orientations for the mobilization and use of the non-core resources.
8. The Financing System shall aim to establish a reasonable equivalence between the levels of its core and non-core resources in order to ensure an over-all global target for the Financing System of not less than \$600 million for 1983-1985.
9. The Financing System shall dispense both grants and loans, which shall be provided on such terms as the Financing System deems appropriate in the light of the economic situation, the prospects of the recipient country and the nature and the requirements of the activity concerned. Combinations of loans and grants may also be made where appropriate. The proportion of the Financing System's resources to be committed in any financial year for financing operations shall be decided by the Executive Board with due regard to the long-term viability of the Financing System and the need for continuity in its operations. Loans will be provided on concessionary terms. Grants should be extended mainly to the least developed countries and for the support of a number of high-risk research and development projects in developing countries. The secretariat of the Financing System shall submit projects and programmes to the Executive Board for consideration and approval.

## II. INSTITUTIONAL ARRANGEMENTS

10. The institutional arrangements of the Financing System shall consist of the Intergovernmental Committee on Science and Technology for Development, an Executive Board and a secretariat.

A. Intergovernmental Committee on Science and Technology  
for Development

11. The Intergovernmental Committee on Science and Technology for Development shall continue to be the directing and policy-making body. Its principal functions shall be:

- (a) General policy orientation of, and direction for, the Financing System;
- (b) Decisions on policy proposals, including on recommendations on levels of resources;
- (c) General review and evaluation of the activities of the Financing System;
- (d) Election of members to the Executive Board in accordance with criteria stated in paragraph 13 below;
- (e) Consideration of reports of the Executive Board.

B. Executive Board

12. The Financing System shall have its own Executive Board as an identifiable and separate entity, to be responsible for its operation and conduct. The functions of the Executive Board shall include:

- (a) Mobilization of resources;
- (b) Utilization of the resources of the Financing System, particularly approval of projects, programmes and activities of the System;
- (c) Formulation of recommendations on levels of resources of the Financing System;
- (d) Decisions of financial planning;
- (e) Approval of administrative and financial arrangements involving the Financing System;
- (f) Monitoring of the operations of the System in relation to its objectives.

13. The Executive board shall be an effective body and its composition shall reflect an appropriate balance between developed and developing countries as well as between donors and recipients. It shall be composed of 21 directors, to be elected by the Intergovernmental Committee for a period of three years, one third to be drawn from developed countries and two thirds from the developing countries reflecting an appropriate balance between donors and recipients.

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C. Secretariat arrangements

14. The Financing System will have its own secretariat to process and to monitor projects and to carry out other activities mandated by the Intergovernmental Committee on Science and Technology for Development and the General Assembly. The arrangements shall be as follows:

- (a) The over-all supervision of the management of the Financing System shall be entrusted to the Administrator of the United Nations Development Programme, who shall be accountable in the exercise of this responsibility to the Executive Board of the Financing System.
- (b) The Administrator will report to the Executive Board on the operations and activities of the Financing System and bring forward projects for approval by the Executive Board.
- (c) In order to ensure close and continuous interaction between the Centre for Science and Technology for Development and the Financing System, the Director-General for Development and International Economic Co-operation or his representative will be invited on a permanent basis to meetings of the Executive Board.
- (d) The Director-General, assisted by the Executive Director of the Centre for Science and Technology for Development, will submit an annual report to the Executive Board on, inter alia, matters of mutual concern to the Centre and the Financing System.
- (e) The Director-General, in respect of both his responsibility for over-all co-ordination of operational activities in the United Nations system and his oversight of the Centre, would be entrusted by the General Assembly and by agreement with the Administrative Committee on Co-ordination, with the co-ordination with other United Nations organizations and bodies, including the United Nations Development Programme and the Centre for Science and Technology for Development, of the work relating to the Financing System for Science and Technology for Development. Such co-ordination activities would be carried out through the existing mechanisms of the Administrative Committee on Co-ordination particularly the Task Force on Science and Technology for Development.
- (f) The Centre for Science and Technology for Development shall assist the Director-General in fulfilling the responsibilities assigned to him in the Vienna Programme of Action, particularly in providing the necessary substantive support to the Intergovernmental Committee on Science and Technology for Development, including its work relating to the Financing System.

- (g) In view of the expectations of continued use of the services and field network of the United Nations Development Programme, the focus of the Governing Council of the Programme will in future be mainly on the co-operative arrangements between the Financing System and the Programme. Accordingly, the Administrator will provide an annual report to the Governing Council containing information on co-operation between the two organizations and on other matters of common interest.
- (h) The Administrator, in consultation with the Director-General, will report annually to the Intergovernmental Committee on the activities and progress of the Financing System.
- (i) The Centre for Science and Technology for Development will play a meaningful role and, in line with its mandate and role, will, through appropriate arrangements and when required, co-operate with the secretariat of the Financing System in preparing, formulating and bringing to the attention of the Financing System suitable projects and in appraising, evaluating and assessing projects financed by the Financing System in the context of the Vienna Programme of Action.
- (j) There will be arrangements for exchange of detailed information between the Financing System and the United Nations Development Programme, especially where a common interest exists in specific programmes and projects. This collaboration may extend to co-financing arrangements as well as to technical areas in order to enable the two organizations to draw upon each other's special skills and experience.
- (k) The co-operation of the secretariat of the Financing System will be sought by the Centre for Science and Technology for Development in elaborating the relevant major programme areas of the Operational Plan for the Implementation of the Vienna Programme of Action and in supporting the Intergovernmental Committee on Science and Technology for Development in the promotion of the optimum mobilization of financial resources to carry out the Vienna Programme of Action.
- (l) The secretariat will be small, reflecting its use of the facilities of other organizations according to agreed procedures. Its administrative and support costs will continue to be met from voluntary contributions.
- (m) The secretariat, under the over-all supervision of the Administrator, will have an executive head.
- (n) The executive head of the secretariat will be appointed by the Secretary-General on the recommendation of the Director-General for Development and International Economic Co-operation and the Administrator of the United Nations Development Programme.

- (o) The executive head will be responsible for the day-to-day management of the System and for such other activities as may be necessary to ensure effective operations of the System for both core and non-core resource activities. The secretariat of the Financing System will provide secretariat support to the Executive Board.
- (p) Arrangements will be established with the United Nations Development Programme for the provision of administrative services. The nature and terms of such arrangements will be reviewed and evaluated as the operations of the Financing System expand.
- (q) Reports to appropriate secretariat and intergovernmental bodies on financial audit and accounting matters will continue to be provided in accordance with United Nations and United Nations Development Programme procedures and requirements.

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15. The required level of resources and functioning of the Financing System shall be reviewed periodically, taking into account the increasing needs of developing countries. The first of such reviews will be held in 1985.

2. Also decides that the foregoing agreement on the long-term financial and institutional arrangements for the Financing System shall take effect as soon as the provisions of the financing plan have been established together with institutional arrangements for decision-making of the Executive Board, in accordance with paragraph 3 below; in the meantime, the existing operating procedures of the Financing System shall continue;

3. Further decides that the following special arrangements will be necessary in early 1983:

(a) The Intergovernmental Committee on Science and Technology for Development will meet in special session for a period of one week in February or March 1983 for the purpose of:

- (i) Assessment of the resource situation for the Financing System for the year 1983 together with the outlook for the two following years;
- (ii) Establishment of the provisions of the financing plan and, in this context, rules for the voting pattern of the Executive Board;
- (iii) Confirmation (final pledges) of contributions for 1983 and, if possible, indications for 1984 and 1985;

(b) At its fifth session in June 1983, the Intergovernmental Committee on Science and Technology for Development will, inter alia, proceed to elect members to the Executive Board of the Financing System.

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