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AGENDA ITEM 11

**Reports of the Governing Council of the United Nations
Development Programme (E/4297, E/4326 and Corr.1,
E/4397, E/4398)**

- (a) United Nations Development Programme
- (b) Technical co-operation activities undertaken by the Secretary-General

President : Mr. M. KLUSAK (Czechoslovakia)

Present :

Representatives of the following States: Belgium, Cameroon, Canada, Czechoslovakia, Dahomey, France, Gabon, Guatemala, India, Iran, Kuwait, Libya, Mexico, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela.

Observers for the following Member States: Argentina, Australia, Austria, Brazil, Bulgaria, Central African Republic, China, El Salvador, Finland, Greece, Hungary, Indonesia, Iraq, Israel, Italy, Japan, Portugal, South Africa, United Arab Republic.

Observers for the following non-member States: Federal Republic of Germany, Switzerland.

Representatives of the following specialized agencies: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, Universal Postal Union.

Expression of sympathy for Turkey

1. The PRESIDENT, speaking on behalf of members of the Council, assured the representative of Turkey of the Council's sympathy and solidarity in the terrible human and material loss caused to his country by the recent earthquake.
2. He requested the representative of Turkey to convey that expression of sympathy to the Turkish Government and people.
3. Mr. HAYTA (Turkey) said that he had been most moved by the sympathy for his country shown by the President and members of the Council and thanked them very sincerely.

4. Mr. OWEN (Co-Administrator of the United Nations Development Programme) said that as Mr. Hoffman, the Administrator of UNDP, had made a statement to the Council at its 1481st meeting on the broad issues of development facing the international community, he proposed to refer more specifically to the operation and organization of the Programme in connexion with the reports of the UNDP Governing Council on its third session (E/4297) and on its fourth session (E/4398).

5. The period covered by those reports was characterized by greater flexibility in response to the needs of the developing countries and by an improved capacity to deliver well-considered programmes of assistance. The reports recorded a number of significant developments, the most important perhaps relating to the new procedures for the planning, approval and implementation of the projects of the Technical Assistance component of UNDP. The Governing Council of UNDP was recommending that the Economic and Social Council should adopt the draft resolution covering those matters contained in annex IV to the report on its fourth session. An appendix to that draft resolution described the procedures to be followed from 1969 for the planning, approval and implementation of the projects of the Technical Assistance component of UNDP. The proposed changes were aimed at making that component a more effective instrument.

6. The Governing Council was also submitting a proposal that the Council should invite the General Assembly, at its next regular session, again to extend the terms of its resolution 1946 (XVIII)—as amended by resolution 2179 (XXI)—to permit the continued authorization of the use of funds of the Technical Assistance component of UNDP for the provision of operational personnel, at the request of Governments, by all the participating and executing organizations for the duration of the programme period starting on 1 January 1969 (E/4398, para. 129 (c) (ii)).

7. Some Governments, including those of Libya, Sierra Leone and the United Republic of Tanzania, had already taken advantage of that sector of the Programme and had given requests for operational personnel the necessary

priority within their national plans. The UNDP secretariat was conducting an evaluation of the needs in that sector and would present the results to the Governing Council next year.

8. Both reports indicated a continuing evolution of administrative and financial procedures, which would permit better-off countries to use funds-in-trust arrangements to obtain additional assistance and would allow waivers of local operating costs to be made in cases of valid need on the part of the poorer countries. The scope of the Programme had also been clarified, a fact which should encourage Governments to use UNDP, to make progress in the improvement of agriculture, exports promotion and the stimulation of industrial production. A number of Governments were giving growing attention to population problems, and were interested in receiving assistance in the identification and preparation of project requests in that area.

9. Turning to the operation of the Programme as a whole in 1966, he said that the total expenditure for both components had amounted to \$134.6 million (\$75.7 million for the Special Fund and \$58.9 million for the Technical Assistance component), an increase of 29 per cent over 1965. The Governing Council earmarkings had reached a new high level of \$169.9 million, a 52 per cent increase over 1965. That was largely due to additional earmarking authority, contributions for 1966 having increased by only 6.34 per cent. In the programme as a whole during 1966, 30 per cent had been spent on agriculture, 20 per cent on industry, 14 per cent on education, 13 per cent on public utilities and 16 per cent on health. That expenditure had provided 6,900 experts and 5,500 fellowships, and project equipment and supplies totalling \$22.4 million. During the same year, advanced training had been provided to some 70,000 nationals of developing countries.

10. In the Special Fund component, the Governing Council at its third and fourth sessions had approved 137 new projects, including 40 in agriculture, 32 in industry and 23 in public utilities; that had brought the total number of approved Special Fund projects to 778. The UNDP contribution to those projects stood at \$770.6 million and that of recipient Government at \$1,108.1 million, bringing the global cost of approved Special Fund projects to \$1,878 million. By 30 April 1967, 138 projects had been completed, 438 had been operational and plans of operation had been in preparation for 153. A total of 1,180 experts had been recruited in 1966 for the execution of new projects.

11. So far as the Technical Assistance component was concerned, he recalled that under the decision of the 28 November 1966 *ad hoc* session of the Governing Council (see E/4326), a programme of about \$63 million was under way for 1967 and a similar programme was being planned for 1968, bringing the total for the biennium to \$110 million. Project expenditure in the previous biennium (1965-1966) had totalled \$101.4 million, 80 per cent of which had gone to country programmes and 20 per cent to regional and inter-regional projects. In the previous six years, more than \$269 million had been disbursed through the Technical Assistance component for

help to more than 145 countries and territories. Since the merger, that form of aid had been used increasingly as a complement to Special Fund assistance, with excellent results; but the need for small-scale projects providing technical advice, training and administration could be expected to remain for some time.

12. The case of Indonesia provided a good illustration of a situation faced by a Government with exceptionally difficult development and urgently needing technical assistance. The assistance programme approved by the Governing Council for that country provided for expenditure totalling \$2,264,100, while the Council had authorized the Administrator to approve additional requests for assistance up to \$235,900. Special Fund projects would follow when local conditions made that possible.

13. The Secretary-General had requested the Administrator of UNDP to assume full responsibility for the operation of the Fund of the United Nations for the Development of West Irian (FUNDWI) an operation which was being conducted in a manner generally similar to other UNDP activities. Although FUNDWI did not draw on UNDP financial resources, the secretariat proposed to provide the Council with periodic reports on future operations under that funds-in-trust programme.

14. As the Development Programme continued to grow, many new problems were arising, while many old ones, particularly with regard to recruitment, were becoming increasingly difficult. The pace of implementation was sometimes disappointing, and the Programme's procedures were still too slow. The secretariat was aware of those problems and was doing all it could to solve them. Important administrative reorganization measures had been introduced, e.g. in FAO, the ILO and the United Nations Secretariat, and the Administrator was taking special steps to support the efforts being made by the agencies. In that connexion he stressed that while UNDP was able to finance certain preparatory work and field activities, it was the function of the United Nations and the specialized agencies to contribute from their regular budgets to cover those essential services which Governments required, particularly in the initial formulation of requests for UNDP assistance and in the technical evaluation of such requests. Therefore, the agencies had to continue to develop their research and technical intelligence services if they were to provide the technical support which was vital to the success of the work done in the field. The success of the programme depended more than ever on close co-operation between the Administrator of UNDP and his colleagues and the heads of the specialized agencies. That co-operation had been greatly strengthened through the establishment of the Inter-Agency Consultative Board and the increasing recognition by all concerned of the key position of Resident Representatives as co-ordinators in the field. An example of such co-operation was the excellent relations existing between UNDP and the UNIDO secretariat.

15. He referred to the positive results achieved in the financial follow-up of pre-investment activities. By 30 April 1967, 35 pre-investment surveys undertaken in the Special Fund component at a cost of \$22.3 million had stimulated follow-up investment totalling \$1,802 mil-

lion. Of that amount, some \$1,064 million had come from abroad and \$738 million from domestic sources. Those investments had been made in projects for the developments of power, transport, mining, communications, agriculture and industry. In co-operation with the specialized agencies, UNDP was giving attention to identifying investment possibilities and helping Governments to find sources of capital. Consultation procedures were improving steadily, as were relationships with financial institutions, including the World Bank group, the regional banks and certain regional organizations such as the European Development Fund, and, in appropriate cases, world private financial organizations and African, Asian and Latin American banks. In that way, UNDP hoped to play a part in bridging the gap between pre-investment and investment, thereby speeding up economic progress during the final years of the Development Decade.

16. He drew the Council's attention to the increasing number of requests reaching UNDP, which was causing concern as to the financial capacity of the Programme to do what was expected of it. Pledges for 1967 totalled \$172.5 million, an amount substantially short of the target of \$200 million established under General Assembly resolution 2093 (XX) in 1965 and the \$350 million which the Secretary-General had estimated would be required in 1970 to meet the needs of the developing countries. If UNDP was to be able to comply with the requests of the developing countries, Governments would have to increase their contributions; and the secretariats of the specialized agencies would have to prove themselves capable of meeting the challenge facing them. That would not be easy for anyone—but the world could not afford to fail.

17. Mr. HOO (Commissioner for Technical Co-operation), said that he would confine his observations to chapter VI of the reports on the third and fourth sessions of the Governing Council, which dealt with the United Nations regular programme of technical co-operation and United Nations participation in the Development Programme.

18. He first drew attention to the documents prepared by the Secretary-General for the UNDP Governing Council's consideration, to which members of the Council could refer for the background to the decisions taken by the Governing Council at its third and fourth sessions.

19. The Governing Council had decided that the reports on technical co-operation activities in the previous year and proposals concerning the regular programme for the following year should be submitted to its June session, while other questions such as programme development and direction would be discussed at its January session. Accordingly, at its third session the Governing Council had had before it a report by the Secretary-General¹ drawing attention to actions taken by the General Assembly and the Economic and Social Council which had a bearing on the future development of United

Nations technical co-operation activities. That report also drew attention to the relationships established between the United Nations Secretariat and UNCTAD, and to the new United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law. It also described some of the procedures and practices followed by the United Nations in carrying out its responsibilities as an executing agency under the Special Fund and Technical Assistance components of UNDP.

20. At its fourth session, the Governing Council had considered the annual report of the Secretary-General on the technical co-operation activities of the United Nations². That report contained an analysis of major trends and statistical material relating to 1966, programme proposals and budget estimates for 1968, and programme recommendations emanating from other bodies which could affect the use of technical assistance resources.

21. The United Nations technical assistance activities included participation in the Technical Assistance component of UNDP and in Special Fund projects of which the United Nations was the executing agency, the regular technical assistance programme financed under part V of the United Nations budget, and funds-in-trust operations. In 1966, the total of its obligations had reached a record figure of \$40.5 million as against \$34 million in 1965 and \$32.9 million in 1964. As in 1964 and 1965, the increases in costs noted in 1966 had been largely due to the increase in expenditure on Special Fund projects. In 1966, those financial resources had permitted the United Nations to send experts from 93 countries to the developing countries and to undertake 2,577 missions in 113 developing countries and territories. It had granted 2,548 fellowships to individuals from 117 countries and territories for studies in 70 countries.

22. With regard to Special Fund operations, the United Nations had on 30 April 1967 been serving as executing agency for 153 approved projects; plans of operation had been signed for 123 of those projects, while authorization to begin execution had been given for 114. The corresponding budget earmarkings totalled some \$153 million. At its fourth session the UNDP Governing Council had designated the United Nations as executing agency for seven other Special Fund projects with an estimated total cost of \$17.6 million.

23. During the same session the Governing Council, in addition to reviewing the United Nations activities under its regular programme for 1966, had examined and approved the United Nations regular programme for 1968 and had recommended an allocation of \$6.4 million under part V of the United Nations budget for 1968. A draft resolution to that effect was before the Economic and Social Council (E/4398, annex V). As for the 1969 regular programme, the Governing Council had not followed the usual practice of recommending a planning target two years in advance. A number of delegations had thought additional information should be available on the effects of increased costs of assistance projects before a recom-

¹ Report by the Secretary-General on the United Nations regular programme of technical co-operation and United Nations participation in the Development Programme (DP/RP/2).

² Report by the Secretary-General on the technical assistance activities of the United Nations (DP/RP/3 and Add.1-5 and Add.1/Corr.1 and Add.2/Corr.1).

mentation could be made to the General Assembly as to the level of the programmes for 1969 and subsequent years. The Council had decided to consider that question at its fifth session, in January 1968, in the light of a report to be drawn up by the Secretary-General.

24. The UNDP Governing Council had also discussed at its fourth session the recommendation addressed to the General Assembly by the Industrial Development Board proposing that part V of the United Nations budget should include a separate section for the technical assistance programme in the field of industrial development, and that General Assembly resolution 2029 (XX) should be amended to enable the Industrial Development Board to consider and approve industrial development projects and programmes financed under part V of the budget. A number of delegations had expressed the view that it was undesirable either to fragment the budget for the regular programme or to remove part of the regular programme from the jurisdiction of the UNDP Governing Council.

25. Following the example of the merger of the Expanded Programme of Technical Assistance with the Special Fund, the Secretary-General had decided to merge the two divisions which dealt respectively with technical assistance activities and Special Fund activities. Thus the Bureau of Technical Assistance Operations and the Office of Special Fund Operations would henceforth be the Office of Technical Co-operation. As a result of that merger the links between technical co-operation programmes had been strengthened, so that it was now possible to respond more promptly and effectively to the changing needs of the developing countries.

26. He assured members of the Council that the Secretary-General would give the fullest attention to their views and would take them into account in the future planning and programming of United Nations technical assistance activities.

27. Sir Edward WARNER (United Kingdom) said that the past year had seen positive achievements both by UNDP itself and by the Governing Council. Much had now been done to make the merger a reality, one example of that being the Governing Council's recommendation that continuous programming procedures should be adopted for the Technical Assistance component. His delegation fully supported that recommendation, and also the continuation of the OPEX programme for a further year. Continuous programming, under which the Administrator would be authorized to approve technical assistance projects between sessions of the Governing Council, would enable UNDP to respond more rapidly to the needs of the developing countries. The Governing Council's approval of the revision of the Financial Regulations of the Special Fund component (see E/4398, annex III) was another instance of action to consolidate the merger.

28. Much had thus been done to strengthen the Programme's effectiveness; but important problems remained to be solved, especially with regard to the Special Fund component. The volume of requests continued to be disproportionate to the resources available and to the pace

of project implementation, which, as the Co-Administrator had acknowledged, was still rather slow. As a result, contributions made were not being fully used even while additional efforts were being asked of Governments. However, the United Kingdom delegation realized the kind of difficulties involved in the implementation of projects. The Council had already put in hand action to solve outstanding problems. For example, it had requested the UNDP Administrator to report at its next sessions on the criteria applied in selecting projects, on the conditions under which countries could receive UNDP aid, on future requirements in the field of pre-investment, in relation to the administrative capacity of UNDP and the agencies, and on problems of recruitment. It was to be hoped that study of those reports in 1968 would enable a few at least of the present difficulties to be overcome.

29. One need was to improve co-ordination between UNDP, the source of finance, and its increasingly numerous executing agencies. Such co-ordination was essential at the field level. A draft resolution on co-ordination in the field had been submitted to the Co-ordinating Committee (E/AC.24/L.311), and the United Kingdom delegation, one of its sponsors, hoped that it would enable the Governing Council to strengthen the co-ordinating role of the Resident Representatives. The assignment of FAO advisers to the Resident Representatives' offices was an excellent move, which should be initiated at an early date by UNIDO and perhaps eventually by other agencies. In that connexion, his delegation was glad to hear that the Administrator of UNDP and the Executive Director of UNIDO were working together to ensure increasing UNIDO participation in UNDP's activities.

30. With regard to the Secretary-General's report on the United Nations programmes of technical co-operation, the United Kingdom delegation noted with satisfaction that the total value of the United Nations technical assistance activities had risen from \$32.9 million in 1964 to \$40.5 million in 1966. It hoped that the Secretary-General would take account of that fact in his report to the fifth session of the Governing Council on the planning level for 1969.

31. His delegation could not approve the Industrial Development Board's recommendation that a separate section for industrial development should be opened in part V of the budget; that would mean a return to the bad old system under which resources had been divided by branches of activity without regard to country requests. That recommendation, if approved, would only encourage other organizations to demand similar treatment, without necessarily increasing in the slightest the resources available for technical assistance in industrial development.

32. The United Kingdom delegation supported the draft resolution under which the Economic and Social Council would endorse the Governing Council's recommendation of a level of \$6.4 million for part V of the United Nations budget for 1968 and would recommend the General Assembly to take the necessary budgetary action.

33. Mr. VIAUD (France) said that while its consideration of the UNDP Governing Council's reports gave the Economic and Social Council the opportunity to study in specific detail the resources put to work in the field of technical assistance, UNDP should in its turn take account in its activities of the Council's concerns and decisions. The Council's function was to lay down the broad lines of action and to draw attention to the priority problems. It was with that in mind that it had decided at its present session to concentrate on development planning, the mobilization of human resources, and food aid, all of which were problems of inevitable concern to UNDP.

34. So far as development planning was concerned, the feeling which appeared to be emerging from the debate was that technical assistance activities in the field of national planning should be intensified. In particular, account would have to be taken of the many criticisms voiced concerning the taking over of national planning offices by foreign experts, and efforts would have to be made by encouraging the training and appointment of managerial personnel, to move on rapidly from the managerial type of technical assistance to technical assistance of an advisory character. UNDP was already devoting considerable resources to that end, but systematic and concerted action was needed if the efforts made were to achieve the best results. France accordingly favoured the execution of integrated pilot operations drawing in all who took part in the production process, with special emphasis on the concurrent training of managerial personnel. UNDP would be able to benefit by the decisions to be taken by the Council on the use of human resources.

35. The problem of food aid had become extremely urgent, so that the efforts devoted to agriculture needed to be intensified. UNDP could be in the forefront of activity in that field, as in that of edible proteins, and could well devote greater resources to it. The draft resolution adopted by the Economic Committee on the subject of increasing the production and use of edible protein (E/4412, draft resolution III) contained a large number of elements which could be useful in guiding its activity. The Council and its Social Committee and Commission for Social Development should also lay greater stress on social problems, so as to help UNDP to increase its assistance in that field.

36. The UNDP, moreover, played a very important co-ordinating role locally, through the resources it allocated through its implementation activity and through the work of the Resident Representatives. For that reason the French delegation had welcomed the programming procedures recommended by the Governing Council, considering that they would help to strengthen co-ordination, and it would support the Governing Council's draft resolution on the subject.

37. The situation with regard to relations between UNDP and the international financial institutions was much less satisfactory. The French delegation hoped that the pre-investment studies begun by UNDP would be left to that body itself and that they would be followed by long-term investment activities. That would necessitate close co-operation between the UNDP and those institutions.

38. In the last resort, the full employment of human and material resources would be attained by breaking down the barriers between the administrative, executing and technical sides of UNDP's work.

39. So far as the United Nations technical co-operation programmes were concerned, the French delegation was aware that the programmes were at present being re-organized and integrated into the Governing Council's evaluation procedures. It appreciated, however, that some time would be needed before the programmes could be fully linked to the other components of UNDP. At the present stage it would support the Governing Council's draft resolution on the subject.

40. Mr. KADLEC (Czechoslovakia) said it was clear from the recent developments that UNDP would undergo changes of structure and even perhaps of orientation in the years to come. The Secretary-General himself had intimated, in his message to the Council (1480th meeting), that UNDP might possibly link its activities to those of the financial institutions. UNDP was becoming increasingly important as a financing agency for most of the operational activities of the United Nations organizations, and its role in that area could not but grow as its resources increased. Furthermore, it was logical that it should become the agency bearing sole responsibility for the management of funds from different sources. His delegation hoped that in the transitional period which was now beginning UNDP's work would gain in effectiveness and would become universal in its goals.

41. It noted with satisfaction that at its fourth session the Governing Council had recognized that there was a special need to stimulate industrial activity by promoting pilot and demonstration projects.

42. There had recently been an improvement in the relations between UNDP and Czechoslovakia. His Government and the Administrator of UNDP had had many talks on the subjects of co-operation and, in particular, the utilization of the Czechoslovak contribution for the implementation of UNDP projects. The results had been very encouraging. More use had been made of the Czechoslovak contribution, including the services of experts and those of technical bodies and engineering consultants provided by the Government. His Government intended to expand the scope of its co-operation and to fix the amount of its contribution accordingly.

43. As to the United Nations regular programme of technical co-operation, and in particular the draft resolution submitted by the Governing Council recommending an appropriation of \$6.4 million in part V of the budget, he said that his Government had not changed its position; it still considered that technical assistance should be financed from voluntary contributions and not from the regular budget. For that reason, his delegation would abstain in the vote on the draft resolution.

44. Mr. SANDOUNGOUT (Gabon) said that he wished to draw the UNDP Governing Council's attention to certain sectors which the developing countries considered essential. Those countries attributed their economic backwardness to the deterioration in their terms of trade, and

they intended to remedy the situation by setting up industries to process their raw materials and perhaps to manufacture the machinery they required for their development. On the other hand, they were aware of the limitations of their domestic market, and were accordingly trying to consolidate their economic integration, as was shown by the encouraging example of the Central African Customs and Economic Union (UDEAC), of which Gabon was a member. Concerted action by UNDP and UNIDO could be of valuable assistance to the developing countries in that field.

45. In another area, that of the exploitation of natural resources, the Government of Gabon had decided to make a concentrated effort to promote reforestation and food crops production. It was, however, having difficulties due mainly to the shortage of capital equipment. It therefore placed high hopes in the technical and financial assistance which UNDP and FAO could provide. Gabon also welcomed the substantial assistance it was receiving under bilateral and multilateral arrangements.

46. In the area of health services, everything possible should be done to ensure that UNDP, WHO and indeed UNICEF should undertake a concerted programme of action.

47. One of the most disturbing problems faced by the developing countries was their shortage of professional and technical personnel, a problem which, if it remained unresolved, condemned them to stagnation or, at the best, to unduly slow progress. There also, UNDP should take energetic measures.

48. As to the promotion of private foreign investment in developing countries (agenda item 5 (b)), on which he had not yet had the opportunity to speak, he said he was disturbed by the inadequacy of investment as compared with the ever-increasing needs of the developing countries and their declared intention of reaching the goals they had set themselves. Anyone who thought that the developing countries were not concerned with the consequences of that situation was losing sight of the fact that it was in those countries' interest to ensure their own development and was under-estimating their sincere wish for stronger links with the developed countries. Investment policy must no longer be influenced by considerations extraneous to economics. Until that problem was satisfactorily solved, there would be little prospect of rapid economic growth. By solving it the developed countries would be fulfilling a moral obligation and performing an act of solidarity with the less favoured countries.

49. Mr. ANGER (Sweden) said that the slow growth of Government contributions to UNDP was disturbing. The present goal of \$200 million a year was far from being achieved, and if the rate of growth of contributions recorded in 1966, i.e. 6.34 per cent, was not exceeded, the figure of \$350 million proposed by the Secretary-General for 1970 would not be achieved. It was to be hoped that Governments would take the necessary steps to remedy the situation. The Swedish Parliament had recently authorized the Government to announce for 1970 a contribution equal to those it had already announced for 1968 and 1969. That decision was subject to one

reservation, however; it would not take effect unless other Member States made advance pledges in addition to those they had made for 1968.

50. The Swedish Government thought that the balance of unallocated resources, which stood at about \$80 million, could be reduced without financial risk, and he suggested that it should be held at between \$20 and \$30 million.

51. On the other hand, the Council must make certain that UNDP had the executing agencies required to undertake a considerably expanded programme. The specialized agencies appeared to be experiencing some difficulty in carrying on their regular activities side by side with those they undertook as executing agencies of UNDP. In view of the constant growth of their activities they would probably be obliged to modify their methods of work and reorganize the various departments of their secretariats. It would even be necessary to redefine the spheres of competence of the different international agencies.

52. The Swedish Government welcomed the fact that the Administrator attached great importance to question of assistance in the field of family planning. He trusted that the Council would soon be able to approve the first project in that area.

53. The Swedish Government also approved the programming procedures for the technical assistance component of UNDP which the Governing Council had decided to apply from 1969, for they would ensure better planning and more rational utilization of UNDP resources. Those procedures would probably give rise to new problems, but the advantages would amply compensate for any disadvantages they might have.

54. Mr. GOLDSCHMIDT (United States of America) stressed the value of the Governing Council's work. He mentioned especially the Co-Administrator's successful mission to Indonesia to provide programme support following the careful rearticulation of the various elements of the UNDP programme in that country. He approved the new programming procedures to be applied to the Technical Assistance component of UNDP, which the Council had helped to prepare during its previous session. The procedures involved new responsibilities for Resident Representatives, who could and should play an important role in the execution and co-ordination of programmes. He hoped that the Co-ordination Committee would support broadening the functions of Resident Representatives. He hoped that UNDP would be able to conclude agreements with UNIDO similar to those it had concluded with FAO, whereby UNIDO representatives would also become advisers to the UNDP Resident Representatives. Formulation and execution of industrialization projects would be facilitated.

55. In order to ensure the flexibility necessary for continuous, and no longer merely intermittent, programming, the Council had suggested that the responsibility for approving programmes should be left to the Administrator, so that UNDP could respond more quickly to requests for assistance from Governments. The Administrator would present to the fifth session of the Governing Council reports on the methods and criteria followed in the consideration of projects and also on the criteria for

determining eligibility for UNDP assistance. In that connexion, he agreed with certain other delegations that the more developed countries should reimburse the cost of assistance received so that UNDP could increase its aid to the countries in greater need. The approval by the Governing Council at its third session of the principle of accepting funds in trust should facilitate arrangements to provide help to Governments that could afford to pay. He also approved the Governing Council's proposal that the OPEX programme should be continued during the next programming period. Assistance should be rendered in the form and manner requested by and acceptable to recipient countries. With regard to the financing of the United Nations regular programme for 1968, he supported the proposal for an appropriation of \$6.4 million under part V of the United Nations budget. His Government viewed the regular programme as an important means of linking the field activities and the work of research and intelligence which the Co-Administrator had said was necessary to the effectiveness of UNDP.

56. The Council would be considering, under agenda item 5, the Secretariat's suggestions for work in the fiscal field, including tax reform planning (see E/4366). His Government agreed that that was an important area of work, of concern to the developing countries, and would consider the regular technical assistance programme as an appropriate means of initiating field work in it. The regular programme provided, in a sense, "seed corn" to initiate such programmes, which at a later stage might be strengthened by government requests in the market place of the UNDP programming procedures.

57. Mr. BITTREMIEUX (Belgium) said that since his Government had taken part in the proceedings of the Governing Council, he would confine himself to some observations on the criteria for determining eligibility for UNDP assistance.

58. Under the present procedure, Governments themselves determined how much UNDP assistance they would request. For each request they had to present a complete file and make counterpart contributions, which might be substantial. The result of those conditions was that the most deprived Member States were excluded from UNDP assistance.

59. There were two possible solutions to the situation. UNDP could give a certain degree of priority to requests from the countries in greatest need, or it could provide increased aid enabling them to overcome the administrative, technical and budgetary difficulties which prevented them from taking advantage of the assistance offered. In the former case, the priority might result either from a decision by countries which had made some progress towards development to limit the number of their requests for UNDP assistance, or from the establishment of some criteria for eligibility. In the latter case, the neediest countries might be given more help in the preparation and presentation of their requests, and not required to pay counterpart contributions in full.

60. In conclusion, he noted with satisfaction UNDP's efficiency, and its encouraging achievements, notably in pre-investment activity. His delegation approved the draft resolutions before the Council.

61. Mr. SHOURIE (India) was pleased to note that UNDP was playing a role of growing importance in the economic and social development of the developing countries, and that its activities were being extended to new sectors such as family planning, rural development, the tourist industry and the promotion of exports from the developing countries.

62. He fully supported the draft resolution recommending the adoption of new programming procedures for the Technical Assistance component of UNDP for 1969 and the following years, and the Governing Council's decision authorizing the Administrator to review and approve projects submitted by recipient countries within the limits of their country targets. That would give the programme the flexibility and continuity it needed, and would enable UNDP to respond promptly to requests for assistance.

63. He also was glad to note the Governing Council's decision relating to pilot and demonstration plants, and hoped that the Council would be able to approve more requests for assistance to set up such plants. He hoped too that UNIDO would soon assume its role as the executing agency for UNDP in the industrial development sector. He also welcomed the discussions which had recently been held between the Secretary-General of UNCTAD, the Director-General of GATT, the Executive Secretaries of the regional economic commissions and the representatives of UNDP, UNIDO and FAO to co-ordinate the activities of organizations concerned with export promotion (see E/4410/Add.1).

64. As to UNDP's financial resources, he hoped that the industrialized countries would respond to the Secretary-General's appeal, and that the 1970 target of \$350 million would be reached. It was somewhat disturbing to note that the appropriation for the United Nations regular programme of technical co-operation had remained at \$6.4 million for the past five years despite a substantial increase in the over-all budget of the United Nations for the same period. The needs of the developing countries were constantly on the increase, and requests for assistance under the regular programme were already outstripping by far the programme's financial resources. Moreover, the rise in costs since 1962 had reduced the advisory services furnished, fellowships and other activities by about 20 per cent. While he accepted the Governing Council's decision to recommend an appropriation of \$6.4 million under part V of the United Nations budget, he hoped that the General Assembly would re-examine the matter and increase the amount of the appropriation recommended by the Council.

The meeting rose at 1 p.m.