

## ECONOMIC AND SOCIAL COUNCIL

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*President:* Mr. MARAMIS (Indonesia)

## AGENDA ITEM 7

- Reports of the Governing Council of the United Nations Development Programme (E/4782, E/4884)
- (a) United Nations Development Programme
  - (b) United Nations Capital Development Fund
  - (c) Technical co-operation activities undertaken by the Secretary-General (*continued*)

1. Mr. POJARSKY (Union of Soviet Socialist Republics) said that his delegation, which had often criticized the inefficient use of UNDP's resources and the dispersion and lack of co-ordination of its programmes, had considered the report by Sir Robert Jackson, *A Study of the Capacity of the United Nations Development System*,<sup>1</sup> with great interest. The study rightly pointed out a number of shortcomings in the United Nations system of development assistance, including the failure to link technical assistance projects to national development plans, the burdensome nature of the machinery involved and the unnecessarily high levels of expenditure. The large number of organizations, agencies and funds concerned with the provision and financing of development assistance led to duplication and excessive bureaucracy, thereby reducing efficiency. It was therefore time for the specialized agencies to cease carrying out functions which had not been assigned to them in their statutes and to concentrate once more on the provision of advisory services to Governments.

2. The Capacity Study contained constructive proposals for the long-term planning of development assistance, the establishment of a cycle of operations and the reorganization of United Nations assistance machinery, including the Inter-Agency Consultative Board, which appeared to have usurped many of the functions of the governing bodies. However, the Soviet delegation was not in agreement with

all the recommendations of the Capacity Study, as it had stated in the Governing Council of UNDP. It did not support the recommendation to broaden the Administrator's terms of reference at the expense of the Governing Council, and felt that the powers proposed for resident representatives were excessive and could lead to infringement of national sovereignty. It was also opposed to the proposal that IBRD and other United Nations financial organs should play an increased role in development assistance. IBRD was not a universal body, since the representatives of capitalist countries occupied a dominant position in it and the system of weighted voting gave a determining role in the formation of its policy to the largest contributors, and particularly the United States of America.

3. His delegation had already emphasized in the Governing Council of UNDP that the transition period to the system of country programming should not be used as an occasion for interference in the domestic affairs of countries receiving assistance. The USSR supported the principle of country programming, but was firmly convinced that the leading role in planning country assistance must lie not with the resident representative but with the recipient government, which alone was competent to decide what UNDP projects could best contribute to its national development plans.

4. The Soviet delegation regarded the consensus arrived at by the Governing Council and contained in the annex to the draft resolution recommended for adoption by the Economic and Social Council (see E/4884, para. 94), as a compromise measure, which was not fully satisfactory to all members of the Governing Council. The consensus contained many positive elements, such as its definition of the role of the Governing Council, the recognition of the sovereign rights of the recipient Government as regards technical assistance programming and the recommendations for a more efficient and rational operational structure. However, it did not deal with the unjustified expansion of UNDP's staff or the need to reorganize the Inter-Agency Consultative Board. His delegation wished to reiterate the reservation it had made at the tenth session of the Governing Council regarding paragraph 26 of the consensus. The USSR had been able to approve the provisions of paragraphs 18 and 20 on the understanding that they related to a temporary measure only. The reference in paragraph 30 to the full responsibility of the Administrator for the proper utilization of UNDP's funds should at least have been supplemented by a reference to the general guidance given in that matter by the Governing Council, especially since the over-all responsibility of the Governing Council was recognized in paragraph 35. His delegation considered that the changes proposed at UNDP headquarters (paragraphs 57 and 58) and in the status and

<sup>1</sup> United Nations publication, Sales No.: E.70.I.10.

functions of resident representatives (paragraphs 62 and 63) should not lead to excessive bureaucracy and unjustified increases in the number of staff and in administrative costs. The consensus as a whole could be regarded as a preliminary draft of the future statute of UNDP, which would need further work to eliminate some of its shortcomings.

5. Although more and more delegations were advocating the implementation of pilot projects in the industrial field, UNDP was still allocating insufficient sums to such projects. Of the sixty-one projects recommended by the Administrator for approval at the tenth session of the Governing Council, only two had been directly connected with industrial development. It was to be hoped that a more balanced distribution of UNDP resources would be sought in the future.

6. Another shortcoming was that UNDP was still not a universal organization. It was quite wrong that the German Democratic Republic, a highly developed European State, had still not been admitted to membership, and his delegation strongly supported the participation of that State on an equal footing with other members. The Soviet delegation wished to reiterate its objection to the use of UNDP resources for assistance to countries committing aggressive acts against freedom-loving peoples.

7. The activities of the United Nations regular programme of technical assistance in many respects duplicated the work of UNDP and was, moreover, not sufficiently effective because of the inadequate resources available to it. That programme should therefore be merged with UNDP in order to reduce administrative costs and achieve a more rational use of available resources. The Soviet delegation had always opposed the excessive growth of administrative expenditure, and especially the tendency to construct luxurious organizational headquarters. Any decision regarding a loan from UNDP funds for the establishment of a new administrative building in New York was certainly premature so long as the question of the location of UNDP headquarters had not been solved.

8. Mr. ROUAMBA (Upper Volta) said that there was no doubt that UNDP had the capacity to provide, and recipient countries to absorb, greater assistance. So far as Upper Volta was concerned, the saturation point had by no means been reached. His delegation therefore hoped that the resources available to UNDP would continue to increase, and that reforms would be introduced to increase its efficiency. However, it was to be hoped that the changes proposed would not lead to excessive diversification and loss of control over UNDP activities. The consensus arrived at by the Governing Council must therefore not be interpreted restrictively; on the other hand, the reservations contained in paragraphs 95 to 106 of the consensus should not be allowed to deprive it of its real meaning. With regard to the question of local costs assessments (paragraph 32 of the consensus), his delegation wondered why recommendations were only to be made to the Governing Council at its eleventh session, when the problem was of pressing interest to many countries. Another problem was the recruitment of experts, since the slowness of the assistance cycle often meant that the project approved actually had to

be re-evaluated when the time for implementation came. His delegation wished to know when the proposals referred to in paragraph 45 of the consensus would be made by the Administrator.

9. The recommendations regarding decentralization and the re-designation of resident representatives as resident directors (paragraph 62 of the consensus) were welcomed but it seemed doubtful whether they could enter into force by 1 January 1971. Governments would need to be fully conversant with the new procedures proposed before they could take effect. Emphasis should be laid on the importance of natural resources and transport, which were essential elements in the development efforts of many developing countries. UNDP's relations with other agencies should be properly co-ordinated and areas of joint endeavour with financial institutions sought if the development assistance of the United Nations system as a whole was to be truly effective.

10. Mr. ASANTE (Ghana) paid a tribute to the work of UNDP and of the United Nations regular programme of technical assistance, both of which had played a significant part in the economic development of his country. There could be no doubt that developing countries had the capacity to absorb an increased amount of assistance from the United Nations system: indeed, Ghana alone could easily absorb the total resources available to UNDP for 1970. The present system might appear outmoded and its shortcomings should be recognized, but care should be taken to avoid a new system controlled by machinery based on false assumptions.

11. His delegation believed that country programming alone could not always provide the basis for effective development planning; regional projects were a necessity in some areas. In that connexion, the recommended allocation of not more than 18 per cent of UNDP funds for inter-country projects appeared to be both conservative and rigid, and a more flexible approach should be adopted. Because of their humanitarian appeal, it was easier to obtain bilateral aid for social services than for industrial projects. A great deal of such help had been received and had given rise to new problems such as over-population and migration to the cities; international assistance was needed to solve those problems. But social services did not in themselves lead to economic development, which required industrial action, in particular on a regional basis.

12. On the question of decentralization, his delegation agreed with the comment made in the Governing Council by the Tanzanian representative (see E/4884, para. 106), that any reorganization of UNDP pursuant to the recommendations of the Capacity Study should not in any way prejudice the decentralization of UNDP within the next three years. The role of the regional economic commissions, particularly ECA, should be strengthened, and the role of the resident representatives or directors should be carefully defined. Finally, it should be noted that the Governing Council's work was still unfinished. The Economic and Social Council should, therefore, take note of the consensus and forward it to the General Assembly, while recommending that all the executing agencies should

review their structures in the light of it. The Council should not be unduly discouraged if it was unable to take a definite decision at the present session, as solutions to the problems involved might become more clearly apparent as work progressed.

13. Mr. MOJSOV (Yugoslavia) said that his delegation welcomed the report of the Governing Council, in particular the programme recommendations of the Administrator, and was pleased to note a trend towards supporting projects for industry, which would facilitate the work of UNIDO. It also appreciated the projects devoted to science and scientific research. The increase in the number of projects approved showed the tremendous efforts being made by the developing countries to increase their capacity to absorb all forms of assistance.

14. His delegation was particularly pleased by the attention given to assistance in connexion with the natural disaster in Peru. It considered it essential to assist that country, as the Economic and Social Council had recognized in resolution 1518 (XLIX) adopted on 10 July 1970. Following the disaster, his delegation, in co-operation with some others, had submitted to the Co-ordination Committee a draft resolution (E/AC.24/L.374) recommending Members of the United Nations to establish an Emergency Fund for Disasters, which had been adopted in the Committee.

15. He stressed the need to increase UNDP resources to meet the growing needs of the developing countries. When evaluating the sums received from voluntary contributions, it must be borne in mind that the cost of services and equipment had increased also. Yugoslavia had been increasing its contributions year by year and would continue to do so as far as it was able. It hoped other countries would do the same.

16. His delegation supported the efforts of the UNDP Administrator in connexion with the Capital Development Fund (see E/4884, chap. VII), which had valuable achievements to its credit. Its relatively small but significant transactions had led to the need for greater funds to meet increased expectations. It was gratifying to learn that the Nederlandse Organisatie voor Buitenlandse Betrekkingen (Netherlands Organisation for International Relations), a non-governmental organization, had made a contribution of \$50,000. He hoped that example would encourage other developed countries to contribute.

17. Concerning the UNDP Governing Council's reaction to the Capacity Study, his delegation appreciated the Administrator's documentation and the constructive exchange of views which had been held. There could be no final organizational solutions, as UNDP was a dynamic and evolving body. His delegation, therefore, supported the conclusions of the Governing Council. He reserved the right to make further comments when the Council's conclusions were being formulated.

18. Mr. SANTA CRUZ (Observer for Chile), speaking at the invitation of the President, said that technical assistance for development was a historic achievement of the present age and that the progress of United Nations programmes,

and of the work of UNDP in particular, should be viewed with pride.

19. Recapitulating the reasons why the Governing Council had decided on its capacity review, he said that his country was convinced that the decisions adopted by the Governing Council would result in a greater capacity for UNDP and the entire United Nations system. The Governing Council had made a commendable effort to take into account the various opinions expressed. Naturally there were divergencies of view, but their existence was indicative of the importance attached to UNDP.

20. Some newspaper articles had been critical because the Governing Council had not accepted the Capacity Study in its entirety. The Governing Council had treated the Study as representing an authoritative but individual view. It had also taken into account proposals made by the Administrator and the heads of the various United Nations agencies. The Governing Council, had, in fact, accepted most of the basic recommendations of the Capacity Study, but at the same time it had kept to the idea that UNDP, while it must be administered with efficiency, could not be approached as if it were a commercial venture. It had to observe various principles, such as non-interference in the internal affairs of a country, national sovereignty and respect for different economic and social systems and the special features of different countries and peoples.

21. He agreed with the Ghanaian representative that the consensus was an excellent document and should lead to more effective and speedier programming and, consequently, to better services for developing countries, combined with respect for the contributing countries. The principles which should govern development had not always been borne in mind in the recommendations in the Capacity Study, whereas the Governing Council had laid down guide-lines which respected the powers of the various administrations concerned. His delegation also shared the view of France (1712th meeting) that the regional bureaux should be so organized as not to destroy the unity of UNDP and its operations. It sympathized with the reservations expressed by the representative of Upper Volta.

22. It shared the United States' view (1712th meeting) that the resident representatives should be selected on the basis of their experience of economic and social development. They should also possess great loyalty to UNDP programmes of technical assistance, a thorough understanding of the United Nations system, the desire to understand the problems and peculiar features of the peoples of the developing countries, respect for the sovereignty of countries and a sense of mission. They should not try to impose an external point of view nor adopt a paternalistic or colonialistic attitude. His experience, confined to Latin America, was that the resident representatives were usually of good quality.

23. The consensus was better than the Capacity Study in that it protected the rights of countries to prepare their own projects and programmes and to supervise them. It rightly made a distinction between country programming and national development plans, which were exclusively the preserve of the Governments concerned.

24. Finally, the recommendation in paragraph 67 of the consensus that there should be an immediate enquiry into problems of the regional and sub-regional structures within the United Nations system which had a bearing on the improvement of the capacity of the United Nations development system should be implemented. Some of the serious bottlenecks of the past had been due to the antiquated structure of some of the specialized agencies. It was essential that the revision of the structures should be thorough.

25. In conclusion, he suggested that the Council should adopt the recommendations of the Governing Council.

26. Mr. NAITO (Japan) expressed his appreciation of the work of all those concerned with UNDP and hoped it would have even greater success in the Second United Nations Development Decade. His country would support it fully.

27. His delegation welcomed the increased number of Special Fund projects approved. It was also glad that larger sums were to be spent on training, since human resources were basic for development. It was pleased to note the expansion of United Nations technical co-operation activities and approved of the percentage distribution of activities as between national and regional or inter-regional programmes (see E/4884, para. 114). It also welcomed the development of multinational interdisciplinary programmes in Africa and the assistance given to Governments in Asia based on a long-term view and over-all planning. Development programmes for natural resources were very important for developing countries but it was important also to study the sociological aspects of such programmes.

28. It was gratifying to note that the tenth session of the Governing Council had managed in so short a time to discuss the Capacity Study and adopt the consensus contained in the annex to the draft resolution recommended for adoption by the Economic and Social Council. His delegation agreed with the consensus as a whole, but some points aroused its concern. If country programming was to be the exclusive responsibility of the country concerned (paragraph 5 of the consensus), it was important also to establish close and effective co-operation from an early stage. UNDP should not forget its responsibility for identifying priorities within the framework of over-all objectives. His delegation agreed that in principle the Governing Council alone was empowered to approve projects, but was also in favour of delegating that authority to the Administrator so that quick decisions could be made (paragraph 20 of the consensus). The decision of the Governing Council to establish regional bureaux at the headquarters level, as indicated in paragraph 57 of the consensus, was a positive step forward. The recommendations contained in the whole of that paragraph should be fully implemented, as should the one in paragraph 65 that the Inter-Agency Consultative Board should continue to be the forum for inter-agency consultation and co-ordination.

29. Mr. NYYNEQUE (Kenya) said that his delegation attached special importance to the report of the Governing Council of UNDP on its tenth session, as it would be the

last report of the Governing Council before the start of the Second United Nations Development Decade and also because of the attempt that the Governing Council had made in that report to formulate its attitude to the Capacity Study.

30. UNDP had been established to serve the developing countries and therefore, as stated in paragraph 83 of the report, its resources should be used exclusively for programmes of economic development and not diverted for other purposes. His Government had had misunderstandings with UNDP which could easily have been avoided if UNDP officials had shown themselves more sensitive to the problems of the developing countries and the feelings of their peoples. His delegation therefore endorsed paragraphs 7, 8 and 11 of the consensus. He complained of the superior attitude adopted by a UNDP official towards Kenya Government officials who had found it necessary to go and see him as a result of the incompetence and apathy of certain UNDP experts. He wished that UNDP officials would show appreciation for the very substantial contributions made by the developing countries to the cost of their own development. The attempts made by the Governing Council in the consensus to streamline the structure and operations of UNDP were very welcome, in view of the inadequacy of some of the present programmes. The consensus as a whole was sound, but paragraph 20 was unsatisfactory because it stated categorically that the Governing Council delegated for three years to the Administrator authority to approve projects within country programmes.

31. In June 1969 the Kenyan Government had submitted a request, prepared with the aid of experts, for UNDP assistance in conducting a survey of geothermal potential in the Rift Valley; it had been refused by UNDP, apparently for no good reason, and as a result relations between UNDP and the Kenyan Government had been strained. He therefore felt that the Governing Council alone should be empowered to approve projects submitted by Governments, and proposed that the word "delegates" in paragraph 20 should be replaced by the words "may delegate". He also wished to suggest an amendment to paragraph 11, to the effect that a copy of any project request submitted to UNDP by a Government should always be referred to the potential executing agency for evaluation. The result of the evaluation would be made available to the Government concerned and to the Administrator, and would be forwarded to the Governing Council for consideration together with the request. Such a system would protect the Administrator from accusations of prejudice if he failed to recommend a particular project for approval, would keep the requesting Government informed of the progress of its application, and would make the potential executing agency aware of the existence of the project request from the earliest stage.

32. He was sorry to find no reference to the regional economic commissions in section III of the consensus, which concerned inter-country programming. The commissions should be associated with the implementation of UNDP projects, first, because they could furnish to UNDP

valuable advice based on the research they had carried out over many years, and secondly, because the regional economic commissions offered the best means of putting into effect the programme of decentralization to which UNDP had committed itself. He would suggest an appropriate amendment to that part of the consensus at a later stage.

33. Mr. PANGGABEAN (Indonesia) said that UNDP had reached an important crossroads in its history. It had grown and changed a great deal since it was founded, and the need for a revision of its scope, aims and machinery was inevitable. The appearance of the Capacity Study, which was very much concerned with the reform of UNDP, was timely, because it coincided with the launching of the Second United Nations Development Decade.

34. The approval of the draft resolution recommended by the Governing Council of UNDP for adoption by the Economic and Social Council, and the consensus contained in the annex to that draft resolution, had been a considerable achievement on the part of the Governing Council. The consensus marked a radical departure from outmoded practices; his delegation was particularly pleased to note the emphasis on decentralization and on country programming based on national development plans. The indicative planning figures to be provided by UNDP would be very helpful to Governments. He welcomed the proposed changes in the role of the resident representative, and urged that inter-country programming should be carried out as far as possible in co-operation with the regional economic commissions.

35. He noted with satisfaction the reference in paragraph 45 of the consensus to the desirability of increasing the number of project personnel recruited from the developing countries. There was increasing unemployment among graduates and intellectuals in the developing countries, and he was sure that with a minimum of briefing or refresher training such people could well be employed by UNDP in their own countries. Their knowledge of the country and of its languages and people would be advantageous, and their salaries and allowances would be much lower than those normally paid to experts from the developed countries. That idea could be of the greatest importance to the developing countries and he wished to draw the Administrator's attention to it. His delegation had no objection to document E/4884 as a whole and would therefore be able to support the draft resolution which the Governing Council had recommended for adoption by the Council.

36. Mr. MOHSIN (Pakistan) observed that the Capacity Study, which had done much to encourage the reorientation and strengthening of UNDP, had given rise to many of the important decisions embodied in the consensus. The present session of the Council, which coincided with the twenty-fifth anniversary of the United Nations and the launching of the Second United Nations Development Decade, was a good occasion for both taking stock and planning ahead. Technical co-operation had enjoyed some success in recent years, but it was time that the United

Nations system tried to respond more fully to the needs of the developing countries. Under the new system outlined in the consensus, the centre of gravity would be shifted from UNDP headquarters to the country level. That change was welcome, because a multidisciplinary, country-centred approach was best for country programming and might also enable the developing countries to exercise more control over the establishment of the indicative planning figures and the selection of executing agencies. He hoped that decentralization and the strengthening of the role of the resident representatives would lead to swifter appraisal, approval and implementation of projects, and that the decisions recorded in the consensus would be put into effect as soon as possible with the wholehearted co-operation of all concerned. All that was needed now was a time-table.

37. Mr. CARANICAS (Greece) said that the production of two very influential reports, the Pearson report<sup>2</sup> and the Capacity Study, had marked the climax of the preparations for the Second United Nations Development Decade. From the report of the UNDP Governing Council on its tenth session, it was apparent that a very frank appraisal of the Capacity Study and of UNDP itself had been taking place. Members of the Governing Council had obviously not hesitated to question the absorptive capacity of the United Nations system, the rightness of its judgements and the cost-benefit relationship of its resources. The whole draft international development strategy for the Second United Nations Development Decade, set forth in paragraph 16 of the report of the Preparatory Committee on its sixth session,<sup>3</sup> had been influenced by the proposals for measures to be taken by UNDP, measures which would enable it to make more effective use of the anticipated increase in resources for development assistance. From the statement of the Deputy Administrator (1712th meeting), it seemed that the implementation of the new policies and principles governing the use and management of UNDP resources and the programming of assistance would entail new functions for many UNDP personnel, especially at the field level.

38. He wished to make a number of comments on the report of the Governing Council on its tenth session. First, UNDP often tended to overlook the diversity of the third world; in paragraph 31 for example, it was pointed out that the relatively more developed of the developing countries often had large backward areas. Paragraph 33 referred to the still unsatisfactory extent of UNIDO's participation in the programme; his delegation had drawn attention to that in the past, and appealed to the Deputy Administrator to try to promote closer co-operation between UNDP and UNIDO. Secondly, his delegation supported the recommendation in paragraph 147 of volume I of the Capacity Study that UNDP headquarters should be moved to Geneva, but did not feel that consideration of UNDP participation in the amount of \$10 million in the financing of construction

<sup>2</sup> *Partners in Development: Report of the Commission on International Development* (New York, Praeger 1969).

<sup>3</sup> A/7982, transmitted to the Council by a note by the Secretary-General (E/4876).

costs for the proposed new office building in New York would prejudice the issue; as was stated in paragraph 84 of the report, studies on the optimum location for various units of the Secretariat, including UNDP, would be considered at a later date. Thirdly, he asked why the draft resolution in paragraph 94 contained a reference to a report of the Economic and Social Council; the Council had not yet produced any such report. Fourthly, referring to paragraph 9 of the consensus, he asked the Deputy Administrator to cite an example of the co-ordination of sources of assistance at all levels. He did not see what part could be played by IBRD, in particular, in such co-ordination. Lastly, paragraph 63 of the consensus described the resident representative as being in the position of leader of a team. It was not clear to him how the resident representative could influence or co-ordinate experts and other representatives in the field; moreover, the quality of experts varied and therefore not all teams would be equally good. In particular, he wondered what form of co-ordination would be established between the resident representatives and the proposed new multinational interdisciplinary teams.

39. Mr. ALZAMORA TRAVERSO (Peru) said that his delegation supported the measures outlined in the consensus for making UNDP activities more dynamic. He wished to express his Government's gratitude for the prompt action taken by the Administrator following the disaster in Peru; he had quickly identified low-cost projects of various kinds which would have an immediate impact while larger projects were being planned. His delegation hoped that the draft resolution on the establishment of an Emergency Fund for Disasters which had recently been adopted by the Co-ordination Committee would shortly be brought before the Council.

40. Mr. NARASIMHAN (Deputy Administrator, United Nations Development Programme) said that he and the

Administrator warmly welcomed the Governing Council's willingness to take upon itself the leadership of the programme. The success of the programme of course depended upon its implementation, and that was a challenge which the Administration gladly accepted. There was also a direct connexion between successful implementation and the growth of resources, for the more effectively UNDP used its funds, the more willingly donors increased their contributions.

41. He had listened attentively to the points raised by the Kenyan representative, and promised to investigate them. He hoped, however, that the proposed new procedures, the main purpose of which was to let each country decide for itself how to use its resources, would help to prevent the recurrence of situations such as had been described.

42. With regard to the question of accommodation, he pointed out that UNDP headquarters were at present located in rented offices costing some \$600,000 a year. The intention was that they should ultimately be accommodated in the proposed new building, and that UNDP should accordingly contribute to the construction costs. He assured members that the Secretary-General did not intend to prejudice the question of the eventual location of the Administrator's office; that was for the Governing Council to decide. Furthermore, if UNDP contributed to the construction costs of the new building and subsequently transferred its headquarters elsewhere, ways would be found of reimbursing it.

43. The Greek representative had referred to the co-ordination of inputs, especially from IBRD. The paragraph which he had quoted, however, referred primarily to the regional resources of the specialized agencies, which were mostly known to UNDP and could therefore easily be taken into account in the formulation of country programmes.

The meeting rose at 6.25 p.m.