



UNITED NATIONS DEVELOPMENT PROGRAMME

REPORT OF THE GOVERNING COUNCIL

TWELFTH SESSION

(7 - 23 June 1971)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS: FIFTY-FIRST SESSION

SUPPLEMENT No. 6A

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NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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ABBREVIATIONS

ACABQ	Advisory Committee on Administrative and Budgetary Questions
ACC	Administrative Committee on Co-ordination
ECAFE	Economic Commission for Asia and the Far East
ECLA	Economic Commission for Latin America
EEC	European Economic Community
FAO	Food and Agriculture Organization of the United Nations
GATT	General Agreement on Tariffs and Trade
IACB	Inter-Agency Consultative Board
IAEA	International Atomic Energy Agency
IBRD, World Bank	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICIRA	Training and Research Institute for Agrarian Reform
IDB	Inter-American Development Bank
ILO	International Labour Organisation
UNCTAD	United Nations Conference on Trade and Development
UNDP, the Programme	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
WARDA	West African Rice Development Association
WFP	World Food Programme
WHO	World Health Organization
WMO	World Meteorological Organization

INTRODUCTION

1. The Governing Council held its twelfth session at the headquarters of the Economic Commission for Latin America, Santiago, Chile, from 7 to 23 June 1971, at the invitation of the Government of Chile.
2. The present report was adopted by the Governing Council at its 290th meeting on 23 June 1971, for submission to the Economic and Social Council at its fifty-first session, in accordance with paragraph 4 of General Assembly resolution 2029 (XX).

CHAPTER I

ORGANIZATION OF THE SESSION

Attendance

3. The delegations to the twelfth session are listed in annex I to this report.

Ceremonial opening

4. Dr. Salvador Allende, President of Chile, delivered an address during a ceremonial opening which was held at the Salón de Honor del Congreso Nacional in Santiago. A message by the Secretary-General of the United Nations was read by his Chef de Cabinet, and statements were made by the President and Second Vice-President of the Governing Council and by the Administrator of UNDP. These statements are annexed to this report (see annex II).

Agenda

5. The agenda adopted for the twelfth session was the following:
 1. Opening of the session.
 2. Adoption of the agenda (DP/L.167/Rev.1 and DP/L.167/Rev.1/Add.1 and Add.2).
 3. UNDP programme recommendations of the Administrator:
 - (a) Consideration of individual projects of the UNDP (Special Fund) programme in private meetings;
 - (b) Approval of UNDP (Special Fund) programme recommendations:
(DP/SF/R.12 and Corr.1 and 2;
DP/SF/R.12/Add.1-15;
Add.16 and Corr.1 (English only);
Add.17 and 18;
Add.19 and Corr.1 (English only);
Add.20;
Add.21 and Corr.1 (English only);
Add.22-25;
Add.26 and Corr.1 (English only) and Corr.2;
Add.27 and Corr.1;
Add.28-30;
Add.31 and Corr.1 (English only);
Add.32 and 33;
Add.34 (French/Spanish/Russian only) and Rev.1
(English only);

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Add.35;
Add.36 and Corr.1;
Add.37-45;
Add.46 and Corr.1 (English only);
Add.47;
Add.48 and Corr.1 (English only);
Add.49 and Corr.1 (English only);
Add.50-54;
Add.55 and Corr.1;
Add.56 and 57;
Add.58 and Corr.1 (English only);
Add.59 and 60;
Add.61 and Corr.1 (English only);
Add.62;
Add.63 (French/Spanish/Russian only) and Rev.1
(English only);
Add.64 and 65;
Add.66 and Corr.1;
Add.67-71;
Add.72 and Corr.1 (English only);
Add.73 (French/Spanish/Russian only) and Rev.1
(English only);
Add.74 and Corr.1 (English only) and Corr.2 and 3;
Add.75/Rev.2;
Add.76 and Corr.1 (English only) and Corr.2 and 3;
Add.77 and Corr.1 (English only);
Add.78 and Corr.1 (English only);
Add.79 and Corr.1 (English only);
Add.80 and Corr.1;
Add.81 and Corr.1;
Add.82;
Add.83 and Corr.1;
Add.84 (French/Spanish/Russian only) and Rev.1
(English only) and Corr.1, 2 and 3;
Add.85 and Corr.1;
Add.86 and 87;
Add.88 and Corr.1);

- (c) Approval of UNDP (Technical Assistance) regional and interregional project recommendations of the Administrator (DP/TA/L.30).

4. Report on the activities of the United Nations Development Programme in 1970 with relevant supplementary documentation 1/ (DP/L.168 and Corr.1 (English only) and Corr.2 and DP/L.168/Annex).

5. Further consideration of the question of the capacity of the United Nations development system:

- (a) Report on implementation of decisions taken by the Governing Council at its preceding sessions:
 - (i) Approval of projects (DP/L.173);
 - (ii) A progress report on the preparation of country programmes (DP/L.190);
 - (iii) The review of the criteria to be followed in calculating indicative planning figures (DP/L.179);
 - (iv) Report concerning the review of the basic functions and methods of work of the Inter-Agency Consultative Board (IACB) and its relationship with the Governing Council (DP/L.178);
 - (v) Comments concerning the establishment and functioning of the Advisory Panel on Programme Policy (DP/L.189);
- (b) Other questions in areas not yet fully discussed by the Council:
 - (i) Personnel for development assistance (DP/L.181 and Add.1);
 - (ii) Accounting systems (DP/L.171);
- (c) Preliminary consideration of the draft omnibus statute for the Programme for consideration by the General Assembly (General Assembly resolution 2688 (XXV)) (DP/L.177 and Add.1);
- (d) The role of UNDP in promoting follow-up investment (DP/L.180).

1/ The relevant supplementary documentation includes: (i) Statistical data relating to projects in operation under the Technical Assistance component during 1970 (DP/L.168/Add.1 and Corr.1 (English only)); (ii) Financial status of projects under the Special Fund component as of 31 December 1970 (DP/L.168/Add.2 and DP/L.168/Add.2/Annexes); (iii) Status of Special Fund projects completed in 1970 and follow-up developments (DP/L.168/Add.3); (iv) Subcontracts awarded and equipment purchased by Participating and Executing Agencies for projects in the Special Fund component during 1970 (DP/L.168/Add.4); (v) Special Industrial Services (DP/L.168/Add.5 and DP/L.195); (vi) Trust Fund administration (DP/L.168/Add.6).

6. Financial matters:
 - (a) Statement on the financial position of UNDP (DP/L.172 and Add.1);
 - (b) Review of the size and composition of the Operational Reserve (DP/L.170);
 - (c) Review of the arrangements relating to the custodianship of UNDP funds (DP/L.174 and Add.1);
 - (d) Agency overhead costs (DP/L.176 and Add.1);
 - (e) Revised resources and Programme costs (DP/L.188);
 - (f) UNDP financial regulations and rules.

7. Administrative and budgetary matters:
 - (a) The possibility of establishing machinery to enable the Council to undertake a more detailed examination of the Administrator's proposals on subjects such as the budget, financial and related matters (DP/L.185);
 - (b) Report of the Administration on the 1971 budget (DP/L.186 and Corr.1);
 - (c) General policies in respect of budget estimates for the administrative and programme support services of UNDP for 1972 (DP/L.187 and Corr.1 and 2 and Add.1 and 2);
 - (d) Question of timing of the presentation to the Council of annual budget estimates for the administrative and programme support services (DP/L.185);
 - (e) Reports of the Joint Inspection Unit received by the Administrator (DP/L.182).

8. United Nations technical co-operation activities (DP/RP/11 and DP/L.191).

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9. United Nations Volunteers (DP/L.183 and Add.1 and 2).
10. United Nations Capital Development Fund (DP/L.175).
11. Information papers on the regular programmes of technical assistance in 1970 of the specialized agencies and the International Atomic Energy Agency (IAEA) (DP/L.169).
12. Date and provisional agenda for the thirteenth session of the Governing Council.
13. Other matters.
14. Draft report of the Governing Council to the fifty-first session of the Economic and Social Council (DP/L.193 and Add.1-5).
15. Development Support Information Service (DP/L.184).

Summary records of meetings

6. The summary records of the meetings of the twelfth session were issued as documents DP/SR.269-290.

Private meetings

7. Two private meetings were held to consider the recommendations of the Administrator in connexion with the UNDP (Special Fund) programme.

CHAPTER II
PROGRAMME RECOMMENDATIONS OF THE ADMINISTRATOR

A. UNDP (Special Fund programme)

Analysis of requests received between 1 October 1970 and 31 March 1971

8. As reported to the Governing Council at its eleventh session, up to 30 September 1970, 2,152 requests for project assistance had been submitted to the UNDP (Special Fund) by Governments, calling for an expenditure of approximately \$2,010 million in international resources.^{2/} Between 1 October 1970 and 31 March 1971, an additional 126 requests were received, bringing the total number of requests received to 2,278 and the total amount requested to approximately \$2,112 million.

9. The 126 new requests were in the following fields of activity:

Table 1

Subject area	No. of requests	Amount requested
		(US dollars)
<u>Surveys</u>		
Mineral and geological	3	4 115 000
Land and water use	1	1 088 000
Transport and communications	7	7 864 000
Fisheries	2	2 411 000
Forestry	2	2 345 000
Other	<u>9</u>	<u>5 603 000</u>
Sub-total	<u>24</u>	<u>23 426 000</u>
<u>Research</u>		
Agricultural, forestry, veterinary and fishery	18	16 353 000
Manufacturing, mining and power	11	6 709 000
Other	<u>7</u>	<u>7 040 000</u>
Sub-total	<u>36</u>	<u>30 102 000</u>
<u>Training</u>		
Agricultural, forestry, veterinary and fishery	10	6 472 000
Industrial	24	19 394 000
Transport and communications	6	4 693 000
Secondary school teachers	6	5 763 000
Public administration and other	<u>15</u>	<u>10 327 000</u>
Sub-total	<u>61</u>	<u>46 649 000</u>
<u>Economic development planning</u>	5	1 904 000
<u>Total</u>	<u><u>126</u></u>	<u><u>102 081 000</u></u>

^{2/} See Official Records of the Economic and Social Council, Fifty-first Session, Supplement No. 6 (E/4954), para. 9.

10. The distribution of these new requests by economic sector is as follows:

Table 2

Economic sector	No. of requests	Amount requested (US dollars)
<u>Agriculture</u>		
Multipurpose agriculture ^{a/}	3	864 000
Land and water use	2	2 625 000
Plant production and protection	9	9 450 000
Animal production and health	7	5 247 000
Rural institutions and services	5	3 110 000
Forestry	4	4 110 000
Fishing	3	3 263 000
Sub-total	<u>33</u>	<u>28 669 000</u>
<u>Industry</u>		
Industry, general ^{a/}	24	16 534 000
Mining	4	4 115 000
Other individual industries	6	3 714 000
Sub-total	<u>34</u>	<u>24 363 000</u>
<u>Public utilities</u>		
Transport	8	8 044 000
Communications	5	4 513 000
Water supply and sewerage	1	223 000
Sub-total	<u>14</u>	<u>12 780 000</u>
<u>Housing, building and physical planning</u>		
	5	4 850 000
<u>Multisector</u>		
General planning ^{b/}	5	1 904 000
Other	4	2 897 000
Sub-total	<u>9</u>	<u>4 801 000</u>
<u>Health</u>		
Disease control and prevention	1	717 000
Public health services	4	2 019 000
Environmental sanitation	1	1 545 000
Sub-total	<u>6</u>	<u>4 281 000</u>

^{a/} Covers activities in more than one subsector.

^{b/} Assistance to a specific sector or subsector is classified under the sector or subsector concerned.

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Table 2 (continued)

Economic sector	No. of requests	Amount requested
<u>Education and science</u> ^{b/}		(US dollars)
Primary	1	1 394 000
Secondary	6	5 763 000
Technical	2	3 173 000
University	6	6 030 000
Sub-total	15	16 360 000
<u>Public administration and other services</u>		
Public administration	4	817 000
Technical services	6	5 160 000
Sub-total	10	5 977 000
	<u>Total</u>	<u>102 081 000</u>

^{b/} Assistance to a specific sector or subsector is classified under the sector or subsector concerned.

11. The geographical distribution of the new requests, as well as the cumulative total of all requests received, is shown below:

Table 3

Geographical area	Requests received 1 October 1970 to 31 March 1971	Requests previously received	Cumulative total to 31 March 1971
Africa	51	780	831
The Americas	24	507	531
Asia and the Far East	26	524	550
Europe	4	152	156
Middle East	14	178	192
Interregional	6	9	15
Global	1	2	3
	<u>Total</u>	<u>2 152</u>	<u>2 278</u>

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12. Of this total of 384 requests under consideration (126 new requests mentioned above, 254 requests pending as of 1 October 1970, and 4 requests resubmitted), 67 were recommended for approval by the Council at the June 1971 session of the Governing Council and 17 were withdrawn by the requesting Governments. As of 31 March 1971, 300 projects were under consideration for possible approval at a later date. In addition, there were 163 requests with unofficial status, and some 83 instances of "advance information" concerning possible requests for assistance were under consideration by UNDP.

Programme recommendations

13. The Administrator recommended that the Governing Council approve the sixty-seven projects, and supplementary financing for twenty projects^{3/} listed in annex III.

^{3/} Argentina: Supplementary Assistance in Sheep Husbandry Research in Patagonia; Ceylon: Supplementary Assistance to the Institute of Surveying and Mapping, Diyatalawa; Chile: Supplementary Assistance to the Training and Research Institute in Agrarian Reform; Dominican Republic: Supplementary Assistance in Animal Production and Veterinary Training, Autonomous University of Santo Domingo; Haiti: Supplementary Assistance for the Lower Trois-Rivières Irrigation Programme; Kenya: Supplementary Assistance to the Range Management Division of the Ministry of Agriculture; Lebanon: Supplementary Assistance to the Near East Animal Health Institute's Co-ordinating Unit, Beirut (Scientific Instrument Repair and Maintenance); Mauritius: Supplementary Assistance to the National System of Vocational and Technical Education; Nigeria: Supplementary Assistance to the Secondary School Teacher Training College (Adeyemi College of Education); Pakistan: Supplementary Assistance to the Survey for the Development of Fisheries in East Pakistan; Peru: Supplementary Assistance to the Experimental Housing Project, Lima; Republic of Korea: Supplementary Assistance to the Upland Development and Watershed Management Project; Senegal: Supplementary Assistance for the Institute of Food Technology, Dakar; Somalia: Supplementary Assistance to Fishery Survey; Turkey: Supplementary Assistance for Research and Training Centres for the Production, Processing and Marketing of Fruits and Vegetables; United Republic of Tanzania: Supplementary Assistance to the Faculty of Science of the University of Dar es Salaam for the Training of Secondary School Science Teachers; Yemen: Supplementary Assistance for the Survey of the Agricultural Potential of the Wadi Zabid; Regional: Supplementary Assistance to the Hydrometeorological Survey of the Catchments of Lakes Victoria, Kioga and Albert; Regional: Supplementary Assistance for the Pre-Investment Survey of the African Telecommunication Network, East Africa Sector; and Interregional: Supplementary Assistance for Higher Level Management, Technical and Productivity Training.

The name of the Participating and Executing Agency, the estimated Government participation (counterpart contribution), the estimated UNDP cost, the estimated total cost of the project and the estimated local operating costs to be paid by Governments are indicated opposite each project title.

14. The recommended programme totalled an estimated \$172,712,500, of which \$72,449,500 represented the estimated UNDP programme cost and \$100,263,000 the contributions by recipient Governments.

15. The distribution of the projects by principal type of activity, by economic sector, and by geographical region - both for the recommended projects and cumulatively - is shown in tables 4, 5 and 6 below.

Salient features of the new programme

16. The Administrator drew the attention of the Governing Council to certain features of particular interest in the Special Fund programme.

(a) The programme adhered to the tradition for June sessions in that it included primarily projects or programmes requiring continued or additional support, and particularly projects necessitating operations of an urgent nature either because of intrinsic factors or because the activity was an integral part of a programme approach.

(b) In addition to extensive preparatory assistance, the Administrator had authorized pre-project activities for twelve projects included in the list presented for the Council's approval. Also authorized by the Administrator were 34 pre-project activities, with a potential estimated UNDP cost of approximately \$31 million, as well as three investment feasibility studies.

(c) Attention was drawn to the fact that during the transitional period, following major changes in UNDP's structure, there were no signs of a slow-down in the desire to have new projects approved promptly whenever this was compatible with the normal requirements of proper appraisal and the general concept of indicative country programming figures.

(d) An interesting characteristic of the programme was that, in addition to dealing with second phases and supplementary financing of existing projects, it also included second generation projects which covered in greater depth or scope activities which had become an essential and integral part of the Government's planning and programming.

Table 4
Distribution of Projects by Principal Field of Activity

Field of Activity	Previous programmes		Present programme		Cumulative	
	Number of projects	Earmarking (US dollars)	Number of projects	Earmarking (US dollars)	Number of projects	Earmarking (US dollars)
Surveys						
Mineral and geological	88	75 197 900	-	-	88	75 197 900
Water power, hydraulic and meteorological	39	36 442 948	-	229 000 ^{a/}	39	36 671 948
River basin	39	42 373 348	-	1 051 400 ^{b/}	39	43 424 748
Land and water use	148	134 399 113	4	5 311 200 ^{c/}	152	139 710 313
Transport and communications	69	59 739 146	6	8 820 200 ^{d/}	75	68 559 346
Manufacturing industries	9	7 712 881	-	-	9	7 712 881
Fisheries	36	38 634 500	1	1 483 000 ^{e/}	37	40 117 500
Forestry	41	34 788 799	-	-	41	34 788 799
Other	58	45 922 089	6	4 275 200	64	50 197 289
Subtotal	527	475 210 724	17	21 170 000 ^{a/b/c/d/e/}	544	496 380 724
Research						
Agricultural, forestry veterinary and fishery	172	165 387 622	7	7 545 500 ^{f/}	179	172 933 122
Manufacturing, mining and power	87	73 359 762	5	4 170 200 ^{g/}	92	77 529 962
Other	53	46 399 865	5	4 535 900 ^{h/}	58	50 935 765
Subtotal	312	285 147 249	17	16 251 600 ^{f/g/h/}	329	301 398 849
Training						
Agricultural, forestry, veterinary and fishery	97	96 520 921	3	4 116 000 ^{i/}	100	100 636 921
Industrial	213	205 219 063	7	5 954 200 ^{j/}	220	211 173 263
Transport and communications	67	66 751 660	2	1 672 200	68	68 423 860
Secondary school teacher	44	54 606 900	6	8 827 900 ^{k/}	50	63 434 800
Public administration and other	64	58 516 100	8	9 367 300 ^{l/}	72	67 883 400
Subtotal	485	481 614 644	26	29 937 600 ^{i/j/k/l/}	511	511 552 244
Economic Development Planning	39	63 328 280	7	5 090 300	46	68 418 580
TOTAL	<u>1 363</u>	<u>1 305 300 897</u>	<u>67</u>	<u>72 449 500</u>	<u>1 430</u>	<u>1 377 750 397</u>

a/ Represents supplementary financing for Regional: Hydrometeorological Survey of the Catchments of Lakes Victoria, Kioga and Albert (REC 25), a project approved at the first session of the Governing Council in January 1966 (see document DP/SF/R.1/Add.81).

b/ Represents supplementary financing for Korea: Upland Development and Watershed Management Project (KOR 22), approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.41).

c/ Includes supplementary financing of \$284,300 for Yemen: Survey of the Agricultural Potential of the Wadi Zabid (YEM 1), a project approved by the Governing Council at its third session in January 1967 (see document DP/SF/R.3/Add.60); and \$374,600 for Haiti: Lower Trois-Rivieres Irrigation Programme (HAI 3), a project for which an initial earmarking of \$489,800 was approved by the Special Fund's Governing Council at its seventh session in January 1962, and a supplementary financing approved by the Governing Council at its fourth session in June 1967 (see documents SF/R.4/Add.9 and DP/SF/R.4/Add.14).

Table 4 (continued)

d/ Includes supplementary financing of \$293,200 for Regional: Pre-Investment Survey of the African Telecommunication Network, East Africa Sector (REG 116), a project approved by the Governing Council at its tenth session in June 1970 (see document DP/SF/R.10/Add.56).

e/ Includes supplementary financing of \$163,300 for Somalia: Fishery Survey (SOM 13), a project approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.45); and \$258,900 for Pakistan: Survey for the Development of Fisheries in East Pakistan (PAK 22), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.40).

f/ Includes supplementary financing of \$859,400 for Kenya: Range Management Division of the Ministry of Agriculture (KEN 11), a project approved by the Governing Council at its first session in January 1966 (see document DP/SF/R.1/Add.37); \$215,500 for Argentina: Sheep Husbandry Research in Patagonia (ARG 14), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.3); \$207,000 for Lebanon: Near East Animal Health Institute's Co-ordinating Unit, Beirut (Scientific Instrument Repair and Maintenance) (LEB 14), a project approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.24); and \$913,500 for Turkey: Research and Training Centres for the Production, Processing and Marketing of Fruit and Vegetables (TUR 13), approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.55).

g/ Includes a supplementary financing of \$892,900 for Senegal: Institute of Food Technology, Dakar (SEN 5), a project approved by the Special Fund's Governing Council at its twelfth session in June 1964 (see document SF/R.9/Add.32).

h/ Includes a supplementary financing of \$337,600 for Peru: Experimental Housing Project, Lima (PER 32), approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.38).

i/ Includes supplementary financing of \$340,200 for Dominican Republic: Animal Production and Veterinary Training, Autonomous University of Santo Domingo (DOM 3), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.11); and \$401,300 for Chile: Training and Research Institute in Agrarian Reform (CHI 36), a project for which an initial allocation of \$723,100 was approved by the Special Fund's Governing Council at its tenth session in June 1963, and financing for a Phase II stage approved by the Governing Council at its fifth session in January 1968 (see documents SF/R.7/Add.8 and DP/SF/R.5/Add.21).

j/ Includes supplementary financing of \$190,400 for Mauritius: National System of Vocational and Technical Education (MAR 3), a project approved by the Governing Council at its first session in January 1966 (see document DP/SF/R.1/Add.41); and \$1,201,800 for Interregional: Higher Level Management, Technical and Productivity Training (INT 18), a project approved by the Governing Council at its tenth session in June 1970 (see document DP/SF/R.10/Add.59).

k/ Includes supplementary financing of \$263,200 for Nigeria: Secondary School Teacher Training College (Adeyemi College of Education) (NIR 7), a project approved by the Special Fund's Governing Council at its ninth session in January 1963 (see document SF/R.6/Add.26); \$218,600 for United Republic of Tanzania: Faculty of Science of the University of Dar es Salaam for the Training of Secondary School Science Teachers (TAN 9), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.62).

l/ Includes a supplementary financing of \$127,100 for Ceylon: Institute of Surveying and Mapping, Diyatalawa (CEY 11), a project approved by the Governing Council at its second session in June 1966 (see document DP/SF/R.2/Add.8).

Table 5
Distribution of Projects by Economic Sector

Economic Sector	Previous programmes		Present programme		Cumulative	
	Number of projects	Earmarking	Number of projects	Earmarking	Number of projects	Earmarking
		(US dollars)		(US dollars)		(US dollars)
<u>Agriculture</u>						
Multi-purpose ^{a/}	103	111 973 385	3	2 122 900	106	114 096 285
Land and water use	139	127 037 461	3	2 928 400 ^{b/}	142	129 965 861
Plant production and protection	57	52 047 300	3	3 488 700 ^{c/}	60	55 536 000
Animal production and health	69	63 061 900	1	2 270 600 ^{d/}	70	65 332 500
Rural institutions and services	35	31 619 075	4	3 812 400 ^{e/}	39	35 431 475
Forestry	61	53 650 162	1	946 500 ^{f/}	62	54 596 662
Fishing	38	37 162 400	1	1 483 000 ^{f/}	39	38 645 400
Subtotal	502	476 551 683	16	17 052 500 ^{b/c/d/e/f/}	518	493 604 183
<u>Industry</u>						
Industry, general ^{g/}	178	149 513 756	6	4 860 400 ^{h/}	184	154 374 156
Mining	87	74 663 055	-	-	87	74 663 055
Other individual industries	91	78 119 496	6	5 264 000 ^{i/}	97	83 383 496
Subtotal	356	302 296 307	12	10 124 400 ^{h/i/}	368	312 420 707
<u>Public Utilities</u>						
Power	30	28 062 474	-	-	30	28 062 474
Transport	95	90 557 951	7	8 818 700	102	99 376 651
Communications	49	43 929 030	1	1 673 700 ^{j/}	50	45 602 730
Water supply and sewerage	28	24 610 608	1	842 100	29	25 452 708
Subtotal	202	187 160 063	9	11 334 500 ^{j/}	211	198 494 563
<u>Housing, Building and Physical Planning</u>	23	21 001 032	3	2 787 200 ^{k/}	26	23 788 232
<u>Multi-Sector</u>						
General planning ^{l/}	22	42 538 723	1	1 845 200	23	44 383 923
River basin development	36	42 841 667	2	1 916 600 ^{m/}	38	44 758 267
Other	22	18 537 802	7	7 435 200	29	25 973 002
Subtotal	80	103 918 192	10	11 197 000 ^{m/}	90	115 115 192
<u>Health</u>	18	14 684 484	4	3 789 500	22	18 473 984
<u>Education and Science^{l/}</u>						
Primary	3	4 038 900	2	3 444 900	5	7 483 800
Secondary	41	50 568 000	4	5 383 000 ^{n/}	45	55 951 000
Technical	28	34 214 467	-	-	28	34 214 467
University	32	38 926 936	-	-	32	38 926 936
Other	7	5 798 400	2	1 555 800	9	7 354 200
Subtotal	111	133 546 703	8	10 383 700 ^{n/}	119	143 930 403
<u>Social Welfare, Public Administration and Other Services</u>	71	66 142 433	5	5 780 700 ^{o/}	76	71 923 133
TOTAL	1 363	1 305 300 897	67	72 449 500	1 430	1 377 750 397

(Foot-notes appear on following page)

- a/ Covers activities in more than one subsector.
- b/ Includes supplementary financing of \$284,300 for Yemen: Survey of the Agricultural Potential of the Wadi Zabid (YEM 1), a project approved by the Governing Council at its third session in January 1967 (see document DP/SF/R.3/Add.60); and \$374,600 for Haiti: Lower Trois-Rivières Irrigation Programme (HAI 3), a project for which an initial earmarking of \$489,800 was approved by the Special Fund's Governing Council at its seventh session in January 1962, and a supplementary financing approved by the Governing Council at its fourth session in June 1967 (see documents SF/R.4/Add.9 and DP/SF/R.4/Add.14).
- c/ Includes supplementary financing of \$913,500 for Turkey: Research and Training Centres for the Production, Processing and Marketing of Fruit and Vegetables (TUR 13), approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.55).
- d/ Includes supplementary financing of \$859,400 for Kenya: Range Management Division of the Ministry of Agriculture (KEN 11), a project approved by the Governing Council at its first session in January 1966 (see document DP/SF/R.1/Add.37); \$215,500 for Argentina: Sheep Husbandry Research in Patagonia (ARG 14), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.3); and \$207,000 for Lebanon: Near East Animal Health Institute's Co-ordinating Unit, Beirut (Scientific Instrument Repair and Maintenance) (LEB 14), a project approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.24); and \$340,200 for Dominican Republic: Animal Production and Veterinary Training, Autonomous University of Santo Domingo (DOM 3), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.11).
- e/ Includes supplementary financing of \$401,300 for Chile: Training and Research Institute in Agrarian Reform (CHI 36), a project for which an initial allocation of \$723,100 was approved by the Special Fund's Governing Council at its tenth session in June 1963, and financing for a Phase II stage approved by the Governing Council at its fifth session in January 1968 (see documents SF/R.7/Add.8 and DP/SF/R.5/Add.21).
- f/ Includes supplementary financing of \$163,300 for Somalia: Fishery Survey (SOM 13), a project approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.45); and \$258,900 for Pakistan: Survey for the Development of Fisheries in East Pakistan (PAK 22), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.40).
- g/ Covers activities in more than one subsector.
- h/ Includes supplementary financing of \$190,400 for Mauritius: National System of Vocational and Technical Education (MAR 3), a project approved by the Governing Council at its first session in January 1966 (see document DP/SF/R.1/Add.41); and \$1,201,800 for Interregional: Higher Level Management, Technical and Productivity Training (INT 18), a project approved by the Governing Council at its tenth session in June 1970 (see document DP/SF/R.10/Add.59).
- i/ Includes supplementary financing of \$892,900 for Senegal: Institute of Food Technology, Dakar (SEN 5), a project approved by the Special Fund's Governing Council at its twelfth session in June 1964 (see document SF/R.9/Add.32).
- j/ Includes supplementary financing of \$293,200 for Regional: Pre-Investment Survey of the African Telecommunication Network, East Africa Sector (REG 116), a project approved by the Governing Council at its tenth session in June 1970 (see document DP/SF/R.10/Add.56).
- k/ Includes supplementary financing of \$337,600 for Peru: Experimental Housing Project, Lima (PER 32), approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.38).
- l/ Assistance to a specific sector or subsector is classified under the sector or subsector concerned.
- m/ Includes supplementary financing of \$229,000 for Regional: Hydrometeorological Survey of the Catchments of Lakes Victoria, Kioga and Albert (REG 25), a project approved at the first session of the Governing Council in January 1966 (see document DP/SF/R.1/Add.81); and \$1,051,400 for Korea: Upland Development and Watershed Management Project (KOR 22), approved by the Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.41).
- n/ Includes supplementary financing of \$263,200 for Nigeria: Secondary School Teacher Training College (Adeyemi College of Education) (NIR 7), a project approved by the Special Fund's Governing Council at its ninth session in January 1963 (see document SF/R.6/Add.26); and \$218,600 for United Republic of Tanzania: Faculty of Science of the University of Dar es Salaam for the Training of Secondary School Science Teachers (TAN 9), a project approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.62).
- o/ Includes a supplementary financing of \$127,100 for Ceylon: Institute of Surveying and Mapping, Diyatalawa (CEY 11), a project approved by the Governing Council at its second session in June 1966 (see document DP/SF/R.2/Add.8).

Table 6
Distribution of projects by geographical region

Geographical region	Previous programmes		Present programme		Cumulative	
	Number of projects	Earmarking	Number of projects	Earmarking	Number of projects	Earmarking
		(US dollars)		(US dollars)		(US dollars)
Africa	505	487 001 746	24	30 243 900 ^{a/}	529	517 245 646
Americas	315	300 834 750	14	12 627 000 ^{b/}	329	313 461 750
Asia and the Far East	335	335 134 993	13	14 690 700 ^{c/}	348	349 825 693
Europe	93	89 678 992	7	6 577 400 ^{d/}	100	96 256 392
Middle East	108	84 037 616	5	4 652 900 ^{e/}	113	88 690 516
Interregional	5	6 597 200	4	3 657 600 ^{f/}	9	10 254 800
Global	<u>2</u>	<u>2 015 600</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>2 015 600</u>
TOTAL	<u>1 363</u>	<u>1 305 300 897</u>	<u>67</u>	<u>72 449 500</u>	<u>1 430</u>	<u>1 377 750 397</u>

a/ Includes supplementary financing as follows: \$859 400 for Kenya: Range Management Division of the Ministry of Agriculture (KEN 11); \$190 400 for Mauritius: National System of Vocational and Technical Education (MAR 3); \$263 200 for Nigeria: Secondary School Teacher Training College (Adeyemi College of Education) (NIR 7); \$892 900 for Senegal: Institute of Food Technology, Dakar (SEN 5); \$163 300 for Somalia: Fishery Survey (SOM 13); \$218 600 for United Republic of Tanzania: Faculty of Science of the University of Dar es Salaam for the Training of Secondary School Science Teachers (TAN 9); \$229 000 for Regional: Hydrometeorological Survey of the Catchments of Lakes Victoria, Kioga and Albert (REG 25); and \$293 200 for Regional: Pre-Investment Survey of the African Telecommunication Network, East Africa Sector (REG 116).

b/ Includes supplementary financing as follows: \$215 500 for Argentina: Sheep Husbandry Research in Patagonia (ARG 14); \$340 200 for Dominican Republic: Animal Production and Veterinary Training, Autonomous University of Santo Domingo (DOM 3); \$337 600 for Peru: Experimental Housing Project, Lima (PER 32); \$401 300 for Chile: Training and Research Institute in Agrarian Reform (CHI 36); \$374 600 for Haiti: Assistance for the Lower Trois-Rivières Irrigation Programme (HAI 3).

c/ Includes supplementary financing as follows: \$127 100 for Ceylon: Assistance to the Institute of Surveying and Mapping, Diyatalawa (CEY 11); \$1 051 400 for Republic of Korea: Upland Development and Watershed Management Project (KOR 22); and \$258 900 for Pakistan: Survey for the Development of Fisheries in East Pakistan (PAK 22).

d/ Includes supplementary financing of \$913 500 for Turkey: Research and Training Centres for the Production, Processing and Marketing of Fruits and Vegetables (TUR 13).

e/ Includes supplementary financing as follows: \$207 000 for Lebanon: Assistance to the Near East Animal Health Institute's Co-ordinating Unit, Beirut (Scientific Instrument Repair and Maintenance) (LEB 14); and \$284 300 for Yemen: Survey of the Agricultural Potential of the Wadi Zabid (YEM 1).

f/ Includes supplementary financing of \$1 201 800 for Interregional: Higher Level Management, Technical and Productivity Training (INT 18). /...

(e) Recognition was given in the programme to the need for a continuity of UNDP assistance, resulting in third generation projects in those cases involving the effective mobilization of human resources. Illustrative of this approach was the project for the establishment of a Centre for the Development of Educational Mass Media in India, which represented a third phase of UNDP assistance to the project approved in June 1964, and two complementary projects approved in June 1970 relating to the use of television via satellite as a means of extending educational opportunities in India.

(f) The increasing interest of Governments in laying the foundations for new systems in the field of public administration was reflected in the Phase II project for further assistance to the Bureau of Organization and Methods in Senegal. Similarly, two regional projects - the Asian Centre for Development Administration and the African Training and Research Centre in Administration for Development, Tangiers - were designed to ensure a constant up-dating and monitoring of information on contemporary questions of public administration relevant to their regions. Continued support for training projects directly related to investment in infrastructure was demonstrated in the project for massive training of national railway personnel in Zambia, where the Government is planning a major expansion of its railway system.

(g) UNDP's progressive involvement in the field of planning on a country basis was reflected by a project - Strengthening the Planning Department of East Pakistan - designed to assist the Department to plan effectively for the over-all and sectoral development of the Province. Another project in the Caribbean region - Assistance in Physical Planning - was designed to provide assistance on a regional level for the preparation of plans as a basis for future large-scale investment related to the development of tourism.

(h) Another project - Investment Strategy and Planning Methodology for Irrigated Agriculture in Latin America - requested by the Inter-American Development Bank (IDB) and fully supported by certain interested States within the region was designed to assist this major investor to evaluate the impact of its long-range policies in the field of irrigated agriculture and attempt to evolve a new methodology which would take into account physical, economic and social benefits resulting from its activities. It was expected that this project would have a major impact on future investment decisions in the region and lead to eventual application to other regions. These projects are an integral part of the complex fabric of national programming and relate directly to the pattern and process of national decision-making. /...

(i) The principle of complementarity and mutual support between projects, taken together and representing a major thrust of effort in a key sector of the national economy, was illustrated by three projects in Yemen, which should enable the Government to organize the entire agricultural sector.

(j) Certain projects in the field of telecommunication on a continental basis - Pre-Investment Survey of the African Telecommunication Network, East African Sector, and Pan African Telecommunication Survey (West and Central Africa Sectors) - reflected the advantage of continuity of action. As a result of feasibility studies undertaken for certain additional links, it would be possible to make investment decisions for some specific links.

(k) Two projects - Institutional Support to the Lake Chad Basin Commission and Institutional Support to the Organisation des Etats Riverains du Sénégal - were geared to assist the member Governments in strengthening the secretariat of the Commission to enable them to improve the promotion and co-ordination of national actions with reference to the comprehensive development of the Basin.

(l) Assistance in the fields of external trade and marketing was reflected in a project in Algeria - Marketing Training and Market Surveys - as well as the interregional project in Training and Export Promotion related to the project in Algeria. A precedent in a new field for UNDP (Special Fund) type assistance was the project in Ecuador - Institute for External Trade and Integration - which was directly related to the complex question of special regional economic integration as part of the Andean Pact. This type of project would fit harmoniously into the over-all range of the United Nations Conference on Trade and Development (UNCTAD) activities for improving trade relations, and promote greater economic integration on a regional and world-wide basis.

(m) An interregional project of special significance, Training and Advisory Services on Generalized System of Preferences, constituted a part of the International Development Strategy for the Second United Nations Development Decade. Its primary objective would be the training of a nucleus of nationals in each participating developing country to serve as a focal point for matters relating to the Generalized System of Preferences.

(n) The programme included three projects in the field of innovative technology, for which IAEA would be responsible, aimed at introducing the latest modern technology in developing countries. A unique project in India was aimed at packaging medical products for small manufacturers and bringing them to a central point for sterilization by irradiation. For Argentina, a project was developed /...

to provide the latest techniques in non-destructive testing for chemical and petrochemical and other industries. For Chile, the application of nuclear technology, especially radioactive isotopes, to agriculture, medicine and industry was intended to help accelerate development in these fields.

(o) In the field of industry, a project in Chile - Mineral and Metallurgical Centre - is expected to play a most important role in the development and formulation of a national policy in copper production.

(p) In agriculture, the most important development related to the assistance for the establishment of the West Africa Rice Development Association (WARDA), with the support and active participation of 11 African countries, and the anticipated active support of a number of Governments outside the region as well as international scientific institutions. This project aimed at assisting WARDA in the establishment of an integrated programme of rice production could be considered to be directly related to the "green revolution".

(q) Another related national project was the establishment of a Rice Seed Multiplication Centre in Mali. The Centre would be concerned with multiplication of hybrid rice seeds and the latest in a series of projects concerned with rice development. The Centre would be closely associated with WARDA.

(r) In the context of the over-all perspective of the past 10 years, the new programme reflected certain basic trends likely to condition future activities within the framework of the new country programming procedures. Worthy of note was the fact that first generation projects which included one or more phases of implementation during the past decade were now bearing fruit. Most of them were branching off in new directions in wide sectors of activities and with particular reference to the fields of training, education, research and inventory of natural resources. Another feature was a vigorous thrust in the fields of trade, export promotion and activities related to economic integration with due regard to an increased pace of industrialization. In these fields, as in others, the trend towards regional and interregional activities was well established.

(s) With respect to the impact of the new country programming procedures on the over-all trends resulting from a decade of project programming, it was certain that the present emphasis on the speed and timeliness of implementation would submit existing mechanisms of implementation to even greater stresses than in the past.

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The integration of inputs from various sources, national and international, with a view to putting into effect joint decisions between Governments and the United Nations development system, represented a serious challenge if national and regional programmes were to advance on a broad front at the appropriate pace.

Surrender of earmarkings for completed projects

17. Final allocations had been established for 51 projects whose financial accounts were closed as of 31 December 1970. The Administrator recommended that the amounts approved by the Governing Council for these projects be adjusted to the level of their final allocations as at 31 December 1970.

Adjustment in earmarking

18. An adjustment was proposed in the earmarking of the regional project, Asian Institute for Economic Development and Planning, Bangkok (Phase II) (REG 190),^{4/} approved at the eighth session of the Governing Council in June 1969, to reclassify as Governments' counterpart contribution in cash the amount of \$531,500 included in the earmarking. This would reduce the Governing Council earmarking to \$2,934,000.

Non-operational projects

19. At its seventh session, the Governing Council instructed the Administrator to present a report on those projects which had not become operational two years after their approval, to indicate the principal reasons for the delay, and to make a recommendation on the action to be taken by the Governing Council. As of 31 March 1971, the projects listed below, which had been approved by the Governing Council in January 1969 or at an earlier session, were not operational:

(a) Cameroon - National Centre for Assistance to Small and Medium-size Enterprises;^{5/}

(b) Congo (Democratic Republic of) - Assistance to Yangambi Agronomic Centre to Restore and Promote Agricultural Production;^{6/}

^{4/} See document DP/SF/R.8/Add.56.

^{5/} See document DP/SF/R.7/Add.10.

^{6/} See document DP/SF/R.7/Add.21.

(c) Congo (Democratic Republic of) - Promotion of Agricultural Production in the Ruzizi Plain;^{7/}

(d) Malawi - Manpower Assessment and Utilization;^{8/}

(e) Nigeria - Transport Survey of the Mid-Western States;^{9/}

(f) Pakistan - Telecommunications Staff College, Haripur, West Pakistan;^{10/}

(g) Pakistan - Centre for the Organization and Development of the Jute Industry;^{11/}

(h) Saudi Arabia - Regional and National Physical Planning;^{12/}

(i) United Republic of Tanzania - Improvement of Tick Control Methods;^{13/}

(j) Turkey - In-Plant Training Centre for Engineers and Specialists;^{14/}

(k) Uruguay - Veterinary Service, Rubino Institute;^{15/}

(l) Regional (Colombia and Venezuela) - Development and Integration of the Guadjira Peninsula.^{16/}

20. One of the six projects listed as non-operational in the previous report on this subject^{17/} has since become operational.

21. The Administrator informed the Council that he was satisfied in all cases but two that necessary steps were being taken to solve the problems and resolve the difficulties which had caused delay in the above-listed projects becoming operational. He proposed, therefore, that the UNDP continue its negotiation

^{7/} See document DP/SF/R.7/Add.23.

^{8/} See document DP/SF/R.6/Add.26.

^{9/} See document DP/SF/R.4/Add.34.

^{10/} See document DP/SF/R.5/Add.64.

^{11/} See document DP/SF/R.7/Add.80.

^{12/} See document DP/SF/R.7/Add.89.

^{13/} See document DP/SF/R.7/Add.97.

^{14/} See document DP/SF/R.5/Add.84.

^{15/} See document DP/SF/R.5/Add.93.

^{16/} See document DP/SF/R.7/Add.118.

^{17/} See Official Records of the Economic and Social Council, Fifty-first Session, Supplement No.6 (E/4954), para. 22.

with the Governments and the Participating and Executing Agencies involved. In the two other cases, he reported that the Government of the Democratic Republic of the Congo had decided to undertake development of the Ruzizi Plain with bilateral assistance, and it had been agreed by that Government, UNDP and the Food and Agriculture Organization of the United Nations (FAO) that this project should be cancelled; there appeared to be no prospect for early implementation of the project in Uruguay and the Government and FAO had agreed to its cancellation. In view of this, the Administrator recommended that the Governing Council cancel the earmarkings for the projects in Congo (Democratic Republic of) - Promotion of Agricultural Production in the Ruzizi Plain (COK 19) and in Uruguay - Veterinary Service, Rubino Institute (URU 10).

22. He proposed that this action be taken without prejudice to the possibilities of providing UNDP assistance at some future date. The Governments of the Democratic Republic of the Congo and Uruguay had been informed of the proposed action.

Waiver of local operating costs

23. The Administrator reported that the Government of Burundi had requested a waiver of local operating costs for the project, Burundi Development Bank (BDI 6),^{18/} approved by the Governing Council at its eighth session in June 1969. In view of the Government's difficult financial situation, the Administrator recommended that the Governing Council approve a retroactive waiver for this project.

24. The Government of Niger had also requested a reduction to a symbolic 1 per cent of local operating costs for the projects Supplementary Assistance to the Development of Animal Production and Water Resources in Eastern Niger (NER 7)^{19/} and Pilot Agricultural Development in the Dallol Maouri (NER 16),^{20/} both approved by the Governing Council at its tenth session in June 1970. In view of the Government's difficult financial situation, the Administrator recommended that the Governing Council approve a retroactive reduction to 1 per cent for these projects.

^{18/} See document DP/SF/R.8/Add.6.

^{19/} See document DP/SF/R.10/Add.61.

^{20/} See document DP/SF/R.10/Add.32.

25. The Lake Kariba Fisheries Research Institute project (REG 65) was approved by the Governing Council of the Special Fund in January 1962, and the Plan of Operation for the project was signed by the Government of the Federation of Rhodesia and Nyasaland, the Government of Northern Rhodesia, the Government of Southern Rhodesia, the United Nations (Special Fund) and FAO on 30 August 1963. Following the "unilateral declaration of independence" by the régime in Southern Rhodesia in November 1965, the project, less approximately \$20,000 of UNDP equipment held back in Southern Rhodesia, was moved to the Zambia side of the lake. The Plan of Operation contained provision for a contribution towards local costs by the Government and on completion of the project in December 1968 the final assessment would have been \$58,100. Initially the United Kingdom Government, on behalf of the Federation, had paid \$31,950 towards this assessment. No further payments have since been made. In view of the circumstances surrounding this project, the Administrator recommended that the Governing Council approve a partial waiver of local costs and establish a rate of assessment of 8.25 per cent representing the payments already received, i.e.; the equivalent of \$31,950, and authorize the writing off of the equipment lost to the project in 1965.

Participating and Executing Agency overhead costs

26. A tabular summary of overhead costs, by Participating and Executing Agency, both for the present and previous programmes, was submitted to the Council (see table 7 below).

Table 7
Participating and Executing Agency Overhead Costs

	Previous programmes		Present programme		Cumulative	
	Project costs ^{a/} (US dollars)	Participating and Executing Agency overhead costs (US dollars)	Project costs ^{a/} (US dollars)	Participating and Executing Agency overhead costs (US dollars)	Project costs ^{a/} (US dollars)	Participating and Executing Agency overhead costs (US dollars)
United Nations	221 678 495	22 212 650	10 723 200	1 172 600	232 311 695	23 375 350
ILO	129 984 947	13 800 000	5 635 500	617 100	135 620 447	14 417 100
FAO	425 716 453	44 455 875	16 831 600	1 812 200	442 548 053	46 268 075
UNESCO	175 779 026	17 339 250	8 657 300	949 300	184 436 326	18 288 550
ICAO	22 958 470	2 074 800	-	-	22 958 470	2 074 800
WHO	37 536 892	3 913 000	4 190 800	458 800	41 672 692	4 365 700
IBRD	63 622 697	1 109 938	7 943 100	72 000	71 565 797	1 181 938
UPU	2 226 300	243 500	-	-	2 226 300	243 500
ITU	32 887 651	3 421 200	1 508 900	164 800	34 396 551	3 586 000
WMO	23 379 853	2 411 800	643 400	70 100	24 023 253	2 481 900
IMCO	1 064 800	116 800	-	-	1 064 800	116 800
IAEA	4 093 800	423 500	1 820 500	198 600	5 914 300	622 100
UNIDO	42 484 900	4 561 500	2 832 700	308 900	45 317 600	4 870 400
UNCTAD	1 637 000	179 100	3 153 000	343 500	4 790 000	522 600
ADB ^{b/}	268 300	29 500	-	-	268 300	29 500
ASDB ^{b/}	1 054 000	26 300	-	-	1 054 000	26 300
IDB ^{b/}	860 800	94 600	1 537 400	168 000	2 398 200	262 600
UNDP	1 606 900	46 300	636 200	-	2 243 100	46 300
	<u>1 188 841 284</u>	<u>116 459 613</u>	<u>66 113 600</u>	<u>6 335 900</u>	<u>1 254 954 884</u>	<u>122 795 513</u>

a/ Includes UNDP (Special Fund) direct costs.

b/ An Executing Agency.

Summary of discussion

27. The Deputy Administrator, in introducing the Programme, underlined the fact that this was perhaps the last Special Fund programme to be presented in the "traditional" manner and that owing to the establishment of the four Regional Bureaux, details concerning future presentations to the Council had to be worked out.

28. He drew attention to the fact that the 87 projects being recommended for approval, added to the 129 projects approved by the Council at its eleventh session in January 1971, had resulted in the submission in 1971 of a total of over \$200 million in UNDP costs for Special Fund projects. He also stressed that the important percentage of regional and interregional projects in the present programme and the fact that the subcontract component in projects in the current programme had almost doubled in comparison with the cumulative percentage.

29. With respect to the special features in the programme, the Deputy Administrator drew attention to the increasing number of second and third generation projects and the inclusion of projects related to fields of innovative technology, including three projects to be executed by the International Atomic Energy Agency. The growing role of the United Nations Industrial Development Organization (UNIDO) and the growing number and variety of UNCTAD projects, including an interregional project related to the generalized system of preferences, was underlined.

30. He also drew attention to the appearance for the first time in the programme of two projects for the institutional support of two River Basin Commissions in Africa to be directly implemented by UNDP.

31. In connexion with a supplementary allocation under an interregional project for fellowships to be implemented at the Turin Centre, he observed that the preliminary report of a UNDP Consultant Mission to review certain programmes of the United Nations system for management and technical training of nationals of developing countries in developed countries was available and that the final conclusion of the Administrator on the report of the Mission would be presented to the Council at a later session.

32. Mention was also made of the precedent established by the inclusion of a United Nations Volunteer input in the project for Farm Development of the Midlands in Yemen.

33. Members of the Governing Council were generally satisfied with the number of regional and interregional projects in the programme and several members stressed the economy of such projects. However, some pointed out the uneven distribution of inter-country resources among the various regions. A number of speakers welcomed the fact that the Inter-American Development Bank was an Executing Agency for two projects, and hoped that UNDP would devote more attention to increased utilization of regional

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institutions, including the regional development banks, as Executing Agencies. Several members expressed reservations concerning the use of such institutions as Executing Agencies.

34. The Deputy Administrator drew to the attention of the Council paragraph 35 of document DP/L.168, in which it was noted that the value of new subcontracts awarded by Executing Agencies in 1970 had increased by 13 per cent to \$25 million. The increased use of subcontracting received support from many members. Some members expressed reservations concerning the use of subcontracting; they expressed the view that other methods of execution involved substantial advantages in most cases.

35. As in previous sessions, many members expressed concern at the small proportion of industrial projects and the low level of UNIDO participation in the programme. Many members noted with satisfaction the four projects to be executed by UNCTAD, particularly the interregional project related to the generalized system of preferences. Several members stressed that more projects in the general field of export promotion should be included in future programmes. One member, while concurring in the desirability of having projects with UNCTAD and UNIDO as the Executing Agencies, underlined that it was the primary responsibility of Governments to set priorities and to determine the types of projects and the choice of Executing Agencies.

36. The number of second and third generation projects was noted with some concern. Although recognizing the need for continuity until project objectives had been reached members emphasized that the Administration should exercise greater caution in respect of such projects since the increasing commitment of resources for on-going activities limited the possibility of initiating new activities. Some members also questioned the level of funds allocated to a series of projects involving supplementary financing within the programme. Several members pointed out that UNDP was the Executing Agency for two projects in the programme; this should be the exception in view of UNDP's primary role of policy planning and co-ordination. Several members stressed the necessity for an increase in financial resources.

37. One member sought an assurance by the Administrator, before approval by the Council, that orderly implementation of three projects for East Pakistan would be possible in the light of conditions obtaining in that part of Pakistan. Another member indicated that he had no doubt that their implementation was feasible, as conditions were now normal. He expressed the belief that, as was usual in all cases, decisions on implementation would be taken in close consultation with his Government.

38. Several members expressed regret that it had not been possible for the German Democratic Republic to become a member of UNDP. They also expressed objection to the projects recommended, in particular, for the Republic of Korea and China, and reiterated their opposition to the provision of UNDP assistance to States that were using their own resources to wage wars of aggression. Another member expressed the view that not only was the Republic of Korea eminently qualified to receive UNDP assistance but that it represented precisely the type of dynamic economy for which assistance could be most productive.

39. Some members noted with concern the number of non-operational projects and underlined the negative effect that such projects had on the indicative planning figures for developing countries. Several members reiterated that less developed recipient countries should receive a comparatively larger portion of programme resources than the more developed countries.

Observations of the Administration

40. The Deputy Administrator noted the concern of members over the mortgaging of the Programmes' resources for second and third generation projects and stressed that the real solution to this problem was an increase in resources. Only if resources increased as rapidly in the 1970s as they had during the 1960s would the Programme be able to meet the needs of the developing countries. Increased resources would also alleviate the problem of the distribution of resources among geographical regions and sectors. With particular reference to the increase of projects in the industrial sector, he noted that the Programme simply followed the priorities established by Governments, and, as had already been stated, the choice of an Executing Agency was also made in consultation with Governments. The Government's position was also a determining factor in the decisions to use or not to use subcontracting as a project component.

41. The Deputy Administrator recognized that special attention should be given to the problems of the least developed among the developing countries. However, he noted the difficulties encountered by the Committee for Programme and Co-ordination in establishing a definitive list of such countries.

42. He also informed the Council that assistance for disaster relief in Peru would not be a charge against the indicative planning figure for that country.

43. With regard to the proposed projects for East Pakistan, the Administrator informed the Council that various agencies in the United Nations system were currently resuming their special and economic development programmes in East Pakistan. The implementation

of these projects and consequently the disbursement of funds would be authorized as and when local conditions justified this action. He expressed the hope that this would be at the earliest possible date. He further stated that action on these projects would be taken only after consultation with the Government of Pakistan.

Decision of the Governing Council

44. At its 273rd meeting, the Governing Council:

- (a) Approved the programme consisting of 67 new projects and supplementary financing for 20 projects as recommended in document DP/SF/R.12 and its addenda 1-88;
- (b) Authorized the Administrator to make the appropriate arrangements with the Governments and Executing Agencies for the execution of those projects;
- (c) Approved the cancellation of the two projects referred to in paragraph 21 above - Promotion of Agricultural Production in the Ruzizi Plain (COK 19) and Veterinary Service, Rubino Institute (URU 10) - and cancelled the uncommitted earmarkings and the corresponding reserve for the Administrator's contingency authority of these projects;
- (d) Took note of the Administrator's report on the final adjustment to the original earmarkings approved for 51 completed projects whose final accounts were closed as at 31 December 1970;
- (e) Approved the Administrator's recommendation in paragraph 18 above for a reduction to \$2,934,000 of the earmarking for regional project, Asian Institute for Economic and Development Planning, Bangkok (Phase II) (REG 190), by reclassifying as Government's counterpart contribution in cash the amount of \$531,500 included in the earmarking authorized by the Council at its eighth session;
- (f) Concurred in the Administrator's recommendations:
 - (i) to waive local costs for the project, Burundi Development Bank (BDI 6)
 - (ii) to reduce to 1 per cent the assessment for the projects, Supplementary Assistance to the Development of Animal Production and Water Resources in Eastern Niger (NER 7), and Pilot Agricultural Development in the Dallol Maouri (NER 16);
 - (iii) to waive the local costs assessable on 20 projects submitted for approval at the twelfth session to the extent indicated in the recommendations contained in annex III to this report;

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(iv) to reduce to 8.25 per cent the final assessment for project, Lake Kariba Fisheries Research Institute (REG 65) and to write off the equipment lost to the project in 1965.

(v) to waive the outstanding balance of local costs in the amount of \$247,497 assessed to the Government of Somalia for the years 1968 through 1971 in relation to Special Fund assisted projects in that country.

B. UNDP (Technical Assistance) programme

45. Under item 3 (c) of its agenda, the Governing Council considered a recommendation by the Administrator for the approval of one regional project - Regional Forestry School for Francophones in the South Pacific (AFE/FAO/71/3) - with a cumulative value of \$370,800 during the years 1971-1976. The cost of the project in 1971 was estimated at \$63,800.

Decision of the Governing Council

46. At its 273rd meeting, the Council approved the regional project recommendation of the Administrator (DP/TA/L.30).

CHAPTER III

CAPACITY OF THE UNITED NATIONS DEVELOPMENT SYSTEM

47. Under item 5 of its agenda, the Governing Council considered:

(a) Reports on the implementation of decisions taken by the Governing Council at its preceding sessions;

(b) The role of UNDP in promoting follow-up investment; and

(c) In a preliminary manner, a draft omnibus statute for the Programme for consideration by the General Assembly, as requested by General Assembly resolution 2688 (XXV);

(d) Other questions in areas not yet fully discussed by the Council, namely, personnel for development assistance and accounting systems.

A. Reports on the implementation of decisions taken by the Governing Council at its preceding sessions

Progress report on the preparation of country programmes

48. Under item 5 (a) (ii) of its agenda, the Governing Council heard a progress report (DP/L.190) by the Assistant Administrator in charge of the Bureau for Programme Co-ordination describing the actions taken by the Administrator since the eleventh session of the Council with respect to country programming.

49. At a global meeting of Resident Representatives of UNDP held in New Delhi in February 1971, the practical problems relating to the introduction of country programming on a global basis had been discussed. The discussions had covered the philosophy of country programming, its procedures, financial aspects, the role of the Participating and Executing Agencies, and the duties and responsibilities of the resident representatives. In that meeting, the Resident Representatives had also expressed a desire that their present title be retained instead of "resident director" as provided for in the Consensus.

50. The Administrator had forwarded to designated officials in every country receiving UNDP assistance a copy of the Consensus of the Governing Council and a letter announcing the introduction of country programming. Simultaneously, the Administrator had sent to each resident representative official notification of the approval by the Council of the indicative planning figure for the period 1972-1976 along with estimates of ongoing commitments during the same period for projects previously approved under the Technical Assistance and Special Fund components of the Programme. The Inter-Agency Consultative Board (IACB) had also met to discuss the method of participation of the agencies and their relationships with the resident representatives at the field level.

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51. The Administrator had instructed resident representatives to inform Governments that, pending the preparation of country programmes, new projects could be submitted for approval without interruption provided that they fell within the approved indicative planning figures.

52. Twenty countries had indicated their wish to hold the first country programming exercises during the period May-July 1971 and the Administrator had informed all agencies in the United Nations system of the intention of those countries. He had also communicated that intention to Governments giving bilateral assistance to those countries and had suggested that they might wish to explore with the recipient Governments concerned the possibility of their participation in the country programming exercise.

Summary of discussion

53. The Council welcomed the fact that a number of countries had signified their readiness to initiate country programming exercises. It was stressed that country programming should be well prepared and of good quality with all aspects of the procedure outlined in the Consensus taken into account.

54. Many members of the Council - those with bilateral aid programmes - referred to the arrangements their Governments had made for the establishment of close contacts with both the recipient Governments and the resident representatives with a view to achieving efficient co-ordination between inputs from bilateral programmes and other sources during the preparation of the UNDP country programmes.

55. Many members of the Council stressed the importance of selecting resident representatives of high calibre and observed that the quality of their leadership was crucial to the success of country programming. Some members suggested that in view of the wishes expressed by the resident representatives themselves, the Council should allow them to retain the title of resident representative, rather than the new designation of "resident director".

Decisions of the Governing Council

56. At its 275th meeting, the Governing Council decided that provision for the restoration of the title resident representative should be incorporated in the draft omnibus statute for the Programme for consideration by the General Assembly, and that pending approval by the General Assembly, the title of resident representative should be maintained on a de facto basis.

57. At its 277th meeting, the Governing Council noted the progress report of the Administrator on the preparation of country programmes (DP/L.190).

Approval of projects

58. Under item 5 (a) (i) of its agenda, the Governing Council considered a proposal of the Administrator (DP/L.173) to the effect that the Governing Council agree, pending the approval by the Council of country programmes, that the Administrator be authorized to approve country projects upon the conclusion of the twelfth session of the Council.

Summary of discussion

59. The Deputy Administrator, in introducing the item, stated that the Council would be considering the first group of country programmes in January 1972 and that the Administration hoped to complete presentation of all country programmes to the Council by January 1974 at the earliest or June 1974 at the latest.

60. The Deputy Administrator observed that while there was no problem in regard to the approval of projects under authority delegated to the Administrator by the Council at its tenth session for countries whose country programmes were approved by the Council, a different procedure for approval of projects would have to be applied in the case of countries without country programmes and might result in confusion and delay in the execution of projects. Since the indicative planning figures approved by the Council at its eleventh session would be operative from 1 January 1972 for all countries and all projects approved for financing by UNDP must be brought within the financial framework of the approved indicative planning figures, it would seem logical to apply the same procedures for approval of projects to all countries. It was accordingly proposed that the resident representatives begin approving projects up to a value of \$100,000 and the Administrator would approve other projects.

61. The Administrator would submit to the Council for its approval all projects which might break new ground or which might have important policy aspects or political implications or which, having been approved for a specific period, were likely to involve a continuing commitment.

62. The Deputy Administrator emphasized that a detailed report would be submitted to the Council on all those projects which the Administrator had approved, whether or not they formed part of the country programmes, giving full descriptions, their objectives, costs, method of execution and their place in national plans and priorities.

63. Several members of the Council indicated their approval of the proposal submitted by the Administrator, which they considered to be in accordance with a liberal interpretation of the Consensus, particularly paragraphs 20 and 55, in that it provided for the delegation of authority to the Administrator and for continuity of action by UNDP to meet requests for assistance during the transitional period. They also stressed that if authority was to be delegated during the interim period, it should take into account the indicative planning figure for the country concerned and the central role of the Government, as provided in the Consensus relevant to country programming. They added that the programme machinery should continue to function during the transition period, and that their concurrence in the proposal was prompted by practical considerations. Moreover, they cautioned that until the Regional Bureaux acquired the necessary experience, the Administrator should ensure that project approval was carried out on a co-ordinated basis. One member pointed out that the Assistant Administrator in charge of the Bureau for Programme Co-ordination would be able to advise the Administrator in the selection of projects to be reserved for Council approval. Another member pointed out that if the proposal made by the Administrator was not approved by the Council, countries which did not have country programmes would have to seek approval of the Council individually for all of their projects, including fellowships, for example, since, under the Consensus, all distinctions between the Special Fund and Technical Assistance components of the Programme would have been eliminated by 1 January 1972.

64. Some members of the Council, on the other hand, expressed the view that the Council had agreed at its tenth and eleventh sessions to the delegation of authority to the Administrator, and to resident representatives for projects up to a value of \$100,000. This was, however, subject to the provision that the Council would have first approved the country programmes and in so doing it would have discharged its responsibility for the operational activities of the Programme, which was the essential core of its work. Indeed, one of the possible difficulties foreseen with the Administrator's proposal was that it might reduce the incentive for Governments, in co-operation with the UNDP, to prepare and submit their country programmes. They also felt that the

Administrator's proposal had not brought forward valid arguments or compelling reasons to persuade the Council to change the terms of the Consensus in regard to procedures for approval of projects. Those members indicated that any action in this regard should be taken in accordance with the letter and spirit of the Consensus. Several members pointed out that when the Council agreed to the delegation of authority to the Administrator to approve projects it had not intended that that authority should be further delegated to the Regional Bureaux. Another member observed that a legal problem would arise if the Council were to agree to the proposal made by the Administrator, namely, that the wording of the Consensus, which had already been approved by the General Assembly, would have to be amended to enable the Administrator to approve projects both within and outside country programmes. While emphasizing the need for a simple formula that would guarantee prompt approval of project requests, one member felt that it would be unwise and impractical to delegate to the Administrator authority to approve all projects immediately as this would make it difficult for the administrative machinery to adapt itself to such a radical change all at once.

Observations of the Administration

65. The Deputy Administrator observed that the implementation of the procedure for approval of projects set forth in the Consensus had been expected to encourage countries to expedite the preparation of their country programmes. Nevertheless, some countries might be tempted to draw up lists of projects and put together a country programme hastily, without due regard to national priorities, simply because they wished to receive assistance from UNDP more expeditiously.

66. The Deputy Administrator stated that careful note had been taken of the statements made by members drawing attention to the fact that, under the Consensus, authority to approve projects within country programmes had been delegated to the Administrator and that he was fully accountable and responsible to the Council for the exercise of such delegated authority. Equally, he had noted the statements made drawing his attention to the Council's decision at its 262nd meeting, which envisaged that, under the authority of the Administrator, the Regional Bureaux would be responsible for the administration of country, subregional and regional programmes in their respective areas.

67. The Administrator intended to make appropriate arrangements within UNDP to enable him to discharge his responsibility and accountability to the Governing Council, in strict conformity with the Consensus. He believed that the

ouncil would agree that that was an internal matter of organization of work, and the establishment of appropriate procedures which might best be left to the Administrator.

3. He suggested that the Council might consider postponing its decision on the Administrator's proposal (DP/L.173) until the thirteenth session as this would give members time to reflect further on the subject and also enable the Administration to put forward specific proposals based on the experience of six months. Meanwhile, the Administrator could continue to approve projects in the Technical Assistance component as at present.

Decision of the Governing Council

9. At its 277th meeting, the Governing Council decided to postpone its consideration of the Administrator's proposal (DP/L.173) until its thirteenth session. It further decided that the Administrator should continue to apply the existing procedure for the approval of Technical Assistance projects until January 1972.

Review of the criteria to be followed in calculating indicative planning figures

10. Under item 5 (a) (iii) of its agenda, the Governing Council had before it a note by the Administrator (DP/L.179).

Summary of discussion

1. In introducing the note, the Assistant Administrator in charge of the Bureau for Programme Co-ordination said that the first set of indicative planning figures approved by the Governing Council at its eleventh session had on the whole been well received by Governments, and the few cases of dissatisfaction reflected mainly a disappointment that the resources of the Programme were not higher, rather than disagreement on the equitable distribution of resources among countries. The Administrator recognized, however, that some indicative planning figures would need revision even on the basis of present criteria. Those for the least developed of the developing countries in particular needed further study. The Administrator would welcome policy guidance and suggestions from the Council which would enable him, if necessary, to submit a study in depth on the question of indicative planning figures at a future session of the Council.

2. Some members expressed opposition to the point of view of the Administration on the attitudes of certain Governments concerning the determination of indicative planning figures. These members had affirmed that the dissatisfaction of their

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Governments reflected not only their regret about the low level of the resources of the Programme, but also expressed their disagreement on the distribution of these resources among countries. Furthermore, they had requested the Administration to pursue its study on the revision of the indicative planning figures according to the provisions of the decision taken by the Council at its eleventh session.

73. Members of the Council expressed general support for the existing criteria as enunciated in the Administrator's note (DP/L.179). Many members endorsed a suggestion by the Administrator that the least developed countries and those countries which, for historical reasons, had not benefited sufficiently from UNDP assistance should be the primary beneficiaries of any increase in over-all resources. It was felt that even on the basis of present resources some of them required supplementary measures to enable them to benefit to the fullest possible extent from UNDP assistance. It was suggested that the Programme Reserve should be used to finance projects in the least developed countries whose indicative planning figures were too low to allow them to undertake projects that would have a significant impact on their development. While agreeing with these suggestions, some members felt that this would not be sufficient. These members added that a growing share of over-all resources should in all circumstances be devoted to the least developed countries and this should be reflected in the indicative planning figures in the future. The need for helping the least developed countries increase their absorptive capacity was also emphasized. It was said that this problem could be solved by providing more assistance of the kind which was specifically designed to help the countries to overcome the constraints on their absorptive capacity.

74. It was recognized that the question of identifying the least developed countries was difficult, and had already been the subject of studies on the part of UNCTAD and, more recently, the Committee for Development Planning, with a view to drawing up a list of such countries. It was suggested that the Council should request the Administrator, subject to the eventual identification by the Economic and Social Council and the General Assembly of the "hard core" of least developed countries, to pay particular attention to those countries when he presented his proposals for indicative planning figures at future sessions.

75. Some members expressed concern that excessive reliance upon and rigid application of the concept of special treatment for the least developed countries would lead to discrimination against those countries approaching the take-off stage, thus inhibiting their development efforts. It was suggested that an allocation of aid based predominantly on the degree of economic disability might sometimes act as a brake on the attainment of economic self-sufficiency.

76. Several members expressed misgivings about the appropriateness of trying to determine the stage of a country's development with any mathematical precision. They maintained that there were many ways of measuring development and that the rigid application of quantified criteria would make unlikely equitable treatment for each country. One member drew attention to countries with large gross national products but which had vast regions in which per capita income was very low. Several members urged that the Administrator should be allowed to retain flexibility in determining the level of indicative planning figures.

77. One member made the specific proposal that funds which became available for programming over and above the 1973 level should be allocated only to those countries with a per capita gross national product of less than \$1,000. All countries for which indicative planning figures had already been approved would continue to receive assistance within the 1973 fund level, as well as through funds-in-trust arrangements, and from the Programme Reserve in exceptional circumstances such as natural disasters. It was the view of this member that such a formula would have the advantage of not disrupting at least for the time being the historical pattern of allocations, while at the same time freeing funds for those countries which had the greatest need for international development assistance. Several members expressed the view that this proposal should be examined in more detail during the consideration of criteria at the fourteenth session. Several other members were of the opinion that the proposal related to an extremely sensitive and complex issue that would necessitate a careful study designed to provide further background information on the criteria for measuring levels of development. Some members were also of the view that relatively more developed countries might assume a larger share of project costs through higher counterpart contributions. It was also suggested by some members that the more

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developed countries might receive a decreasing share of the financial resources of the Programme. This could, if desired, be accompanied by funds-in-trust arrangements. These countries could still obtain approximately the same volume of UNDP assistance in the form of experts and other services.

78. It was also stressed that some of the relatively more developed countries were fully committed to the development process and to make UNDP assistance more expensive for them might well discourage investment in sectors where it was most useful. In this context, it was important to decide where aid was most urgently needed and to channel it accordingly. Some members emphasized that the Council should not overlook the fact that the dynamic nature of development implied a process of ever-increasing demands. Care should accordingly be taken not to cut prematurely the flow of assistance, which would add to the difficulties of implementing necessary projects even when a country was in a terminal stage in the transition to full development.

79. Some members proposed that in addition to the criteria referred to in the Administrator's note, he should take certain other factors into consideration. These were: the magnitude of the development effort the Government was making with the voluntary and responsible co-operation of the broad masses of the people; the special situation of the land-locked countries; the extent to which certain countries, in particular those which had recently acceded to independence, were devoting all their efforts to the structural changes which were required in order to embark on the development process, such as land reform, income redistribution, the development of basic social and administrative services, and other primary infrastructures; the extent to which the resources earmarked for the country had been used; the extent to which the country was participating in inter-country projects; and special transient factors, whatever their nature, which might temporarily affect the developing countries' ability to make development efforts. One member underlined the need for more emphasis to be given to social aspects.

80. Many members expressed the opinion that any new criteria and guidelines must be applied gradually so as to avoid disruptions in the countries' planning and programming process. It was pointed out that a number of developing countries had already taken the indicative planning figures as a basis for planning, and that any serious fluctuations could have adverse effects on the process of planning.

Even if the approved indicative planning figures were not wholly satisfactory, the question of continuity was of considerable importance. It was suggested that any new criteria should apply only to the distribution of additional resources which were above the assumed UNDP annual growth rate of 9.6 per cent. Opposition was expressed to any application of criteria which would reduce an approved indicative planning figure for one country in order to raise the level of the indicative planning figure for another.

81. On the other hand, the observation was made that with an adequate growth rate in the resources for development assistance there would be no need to consider reducing allocations in certain cases and rechanneling funds in others. A certain momentum had already been established and it was necessary to respond to it with increased resources.

82. Some delegations pointed out that, whatever criteria were ultimately adopted, it should be borne in mind that the indicative planning figures did not constitute a commitment, but an indication for programming purposes, as stated in paragraph 14 of the Consensus.

83. During the course of the Council's discussions, a draft decision was submitted by Cuba, to which amendments were submitted by the Central African Republic, proposing certain criteria to be borne in mind by the Administrator in calculating revised indicative planning figures. The draft decision submitted by Cuba as well as the amendments proposed by the Central African Republic are reproduced as annex IV to this report.

Decision of the Governing Council

84. At its 279th meeting, the Council adopted the following decision:

"The Governing Council,

"Recalling its decision taken at its eleventh session on the criteria to be followed in calculating indicative planning figures, as reflected in paragraph 71 (h) and (i) of the report on its eleventh session (E/4954),

"Having considered the note by the Administrator on that matter (DP/L.179),

"Requests the Administrator to report on this subject and make further recommendations to the Governing Council at its fourteenth session, taking into account the views and proposals presented by members of the Governing Council at its twelfth session."

Review of the IACB's basic functions, methods of work and relations with the Governing Council in the light of the new system of country programming

85. Paragraph 65 of the Consensus states that while the Inter-Agency Consultative Board (IACB) should continue to be the forum for inter-agency consultation and co-ordination in respect of the Programme, it should undertake a thorough review of its basic functions and methods of work and its relations with the Governing Council in the light of the new system of country programming and the need for efficient implementation.

86. Responding to the hope expressed by the Governing Council at its eleventh session, the Administrator submitted an interim report (DP/L.178) in respect of that review, after consultation with IACB.

Summary of discussion

87. There was full agreement among the members of the Governing Council that one of the major functions of IACB in the past - that of advising the Administrator on all projects and programmes before their submission to the Council for approval - should fall away with the introduction of the country programming system. Most members felt that the principal role of IACB in the future should be to try to develop maximum coherence and co-ordination in the operational activities of the United Nations system as a whole, to increase the efficiency and capacity of the system, and to advise on the means by which UNDP could most effectively play its part in the Second Development Decade.

88. Several members considered that excessive emphasis was placed in the interim report on development policy matters to be considered by IACB to the extent, in the view of some members, of constituting an attempt to enlarge its powers and to encroach on the prerogatives of Governments and of the Governing Council to make UNDP policy. Exception was taken to some of the particular policy matters which the report proposed for consideration by the Board or its Programme Working Group. These included "advice concerning the maintenance of a proper balance in the Programme (e.g. between the economic and social aspects of development)". Members said that the proper balance would in fact emerge as the aggregate result of decisions made independently by the individual developing countries in the process of formulating their country programmes. One member proposed, with the support of others, that this item should be replaced by: "Advice concerning the means by which the UNDP system can improve its capacity in both quantitative and qualitative terms to respond

more effectively to the needs of developing countries.' It was similarly pointed out that any attention which the IACB might pay to "the overall pattern emerging from the individual country programmes" should only be for the purpose of ensuring that the necessary capacity existed within the United Nations system to meet in an innovative and responsive manner the needs of the developing countries. Another point made was that the Board should not be in a position to instruct rather than advise the Administrator, particularly on the conduct of country programming. Some members stressed that IACB should not review country programmes because such a review function would tend to erode or negate the central role of Governments in country programming.

89. Other members considered that the functions proposed for the Board were generally acceptable and in line with the Governing Council's Consensus. Some pointed out that the role of the Board was purely advisory and that its consideration of policy matters would take place, as the report stated, within the framework of the total policy-making process of the United Nations system.

90. The Administrator emphasized the advisory nature of IACB and the indispensable contribution it had made to the development of a real system within the United Nations family.

91. In reply to questions, the Deputy Administrator explained that the meetings of IACB and its working groups (i.e., the Programme Working Group and the Working Group on Administrative and Finance Matters) and the Administrative Committee on Co-ordination (ACC) were usually scheduled so that they followed one another in immediate succession, thus ensuring maximum economy of travel costs. The Programme Working Group consisted of officials at the next level below that of the executive heads, while the Working Group on Administrative and Finance Matters comprised what might be called the financial managers of the respective organizations.

92. There was general agreement that the relationships between the Governing Council and IACB should continue unchanged, except that the Council should be kept informed of the work of the Board. This did not mean that the summary records of the Board should be made available to the Council; what was required was a periodic report in some suitable form of the Board's activities and the conclusions reached by it. It was pointed out that one important purpose of this would be to enable Governments to know what difficulties or problems were being encountered

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in the co-ordination of operations which would require each Government concerned to co-ordinate its policies or actions in all of the governing bodies on which it was represented. One member suggested that there should be an interchange of participation in meetings of the Governing Council and the Board.

Decision of the Governing Council

93. At its 280th meeting, the Governing Council:

(a) Took note with appreciation of the interim report of the Administrator (DP/L.178);

(b) Requested the Administrator to communicate to the IACB the views expressed by the members of the Council in the course of the discussion of the report;

(c) Invited the Administrator to keep the Council informed about the activities and conclusions of the Board;

(d) Invited the Administrator to propose to the Council any other measures he deemed desirable in order to ensure that it derived maximum benefit from the Board.

Establishment and functioning of the Advisory Panel on Programme Policy

94. At its eleventh session, the Governing Council had requested the Administrator, after seeking the views of IACB, to submit comments on the establishment by him of the Advisory Panel on Programme Policy and its functioning and any proposals on the best method of benefiting from the advice of the Panel.

95. Written comments on the matter were submitted by the Administrator and supplemented by oral statements by him and by the Assistant Administrator in charge of the new Bureau for Programme Analysis and Policy Planning and by the Chairman of the Advisory Panel. These statements, taken together, were intended to explain the nature of the total planning machinery being established at the Administrator's level and the complementarity of the activities of the Bureau (as the centre of analysis of the Programme's experience and the exploration of new directions for the Programme and measures to increase its effectiveness); of the Panel (as a means of access by the Administrator and the Bureau to high-level knowledge and advice on development outside UNDP); and of IACB (as the focal point of advice to the Administrator by the participating organizations and of the development of maximum coherence of United Nations operational activities as a whole).

96. The work in policy planning at the Administrator's level would deal primarily with three areas: the methodology of technical assistance; the best ways of combining resources for development from all sources - national, multilateral and

bilateral; and the extensions of the Programme's operational activities into new fields and techniques offering the prospect of new breakthroughs. Recommendations to the Administrator would be developed through studies carried out by the Bureau, with the co-operation of the other Bureaux of UNDP, and with the advice and assistance of the Advisory Panel members collectively and individually and of the relevant participating organizations and institutions outside the United Nations system, and would be subjected by the Administrator to the advice of IACB. Those recommendations which he accepted would therefore have been produced by a process of preparatory work, study and consultation which should give assurance that they were solidly founded. Except for those which he could implement under the authority delegated to him, he would submit them to the Governing Council for discussion and approval after which they would serve as policy guidelines for all concerned with the programming and implementation of UNDP assistance. The Administrator emphasized that the Advisory Panel could in no sense be competitive with the legislative, administrative, executive or consultative organs of the United Nations development system, but was purely a complementary machinery of the Administration, and one which would help to ensure that his recommendations to the Governing Council were worthy of its attention, since they would have been subjected to all necessary advice.

Summary of discussion

97. A number of members stated that their previous scepticism or misgivings about the utility and effectiveness of an Advisory Panel had been diminished by the better understanding they had now been given of its role in the context of the total policy planning activity at the Administrator's level. A few of these members stated that their misgivings had been almost wholly dispelled. Other members, however, felt that their misgivings had been confirmed.

98. It was generally agreed that what had been, and continued to some extent to be, at issue was not the right of the Administrator to obtain the advice which he felt necessary in order to discharge his responsibilities nor the high level of competence of the persons he had appointed as members of the Advisory Panel, although some members of the Council had doubts about the manner in which the Panel had been established. The questions at issue, as seen separately or in combination by different members, included the following:

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- doubt as to the need for a standing body of advisers, in the light of the Administrator's accessibility to the services of high-level consultants on an ad hoc basis and of the coming into being of the Bureau for Programme Analysis and Policy Planning, which would have access to the policy studies and experience of the specialized agencies, the regional economic commissions and other institutions;
- the risk of duplication or overlapping of effort in the study of complex and often high technical development policy questions, on several of which there was already a proliferation of activity both within and outside the United Nations system;
- the undesirability of the new Bureau being diverted by the requirements of the Advisory Panel from policy studies of direct and urgent relevance to UNDP;
- the tendency to bring about, through the establishment of the Advisory Panel alongside the Administrator, of an imbalance in the relationships of the legislative with the executive arms of UNDP, to the disadvantage of the Governing Council, which might have to consider establishing its own advisory committee in order to be able to identify and examine the alternatives to the Administrator's policy recommendations.

99. Some members, on the other hand, felt that the establishment of the Advisory Panel was an interesting and potentially useful experiment and that its work, if properly co-ordinated with that of the Bureau, could provide the Governing Council with the basis for deeper and more penetrating discussions of vital questions. The suggestion was made that the Council should have the opportunity of reviewing from time to time the work programme of the Panel, suggest subjects for study by it and examine the results, thus not only benefiting from the studies but also retaining its responsibility for the formulation of UNDP policy. Certain adverse comments were made by one member on the selection of some of the subjects chosen for study by the members of the Panel and the Chairman of the Panel agreed to take these into account.

100. The Administrator assured the Council that he would bring the conclusions and recommendations of the Panel before the Council in appropriate form. He would naturally expect the Council to continue to identify policy questions to be placed under study, in the first instance by the Bureau and with all necessary

assistance from the Panel. The Assistant Administrator acknowledged that the greatest care would have to be taken to ensure productive co-ordination between the Panel, his Bureau and IACB, and also to draw to the fullest on work being done elsewhere, so that the policy studies of UNDP would not duplicate that work but rather concentrate on the means of linking it in practical ways with the operations of the Programme.

Decision of the Governing Council

11. At its 290th meeting, the Council took note of the explanations given by the Administrator, the Assistant Administrator for Programme Analysis and Policy Planning and the Chairman of the Advisory Panel on Programme Policy of the policy planning mechanism which had been established within the Administration, consisting of the Bureau for Programme Analysis and Policy Planning, supplemented by the Advisory Panel. The Council recalled that it had decided at its eleventh session^{21/} to undertake at its fourteenth session a comprehensive review of the organization, methods and general procedures of UNDP.

The role of UNDP in promoting follow-up investment

12. Under item 5 (d) of its agenda, the Governing Council had before it document DP/L.180, dealing with immediate operational measures to be undertaken by the Administrator to promote investment follow-up in accordance with the provisions of paragraphs 52 and 53 of the Consensus.

13. In introducing his report, the Administrator said that the pre-investment function of UNDP could be described as, first, assisting in identifying resources which could be exploited safely and profitably; secondly, assisting in education and training so that nationals could make effective use of the resources of their countries; thirdly, assisting in applied research so that the spectacular advances in science and technology could be availed of in the development process; and fourthly, assisting in strengthening the planning and administrative capacity of the developing countries.

14. The record of UNDP in the stimulation of actual capital investment had been a fair one so far: almost \$5,000 million in investment had resulted directly or indirectly from projects assisted by the Programme, including more than 1,000 million in 1970 alone. He hoped that that record would be further improved, and had placed the matter under intensive study in order to produce guidelines for

L/ See Official Records of the Economic and Social Council, Fifty-first Session, Supplement No. 6, (E/4954), para. 52.

the future. In the meantime, his present report dealt with immediate operational measures by which Governments might be encouraged and assisted to devote a larger part of their country programmes to projects designed to generate increased revenues. In addition to the measures outlined in the report, he was placing a staff investment expert in each of the Regional Bureaux and another, a highly competent expert, in the Bureau for Programme Co-ordination, where a senior consultant on investment already served.

Summary of discussion

105. The discussion in the Governing Council was concerned mainly with the specific operational measures described in the report. Although stressing the importance of the assistance of UNDP to projects designed directly to facilitate capital investment - which represented roughly one third of the present activities of the Programme - most members indicated that their positions were not definitive, pending the submission by the Administrator of the results of his further studies.

106. Some members cautioned against placing undue emphasis on the narrow conception of "pre-investment" assistance, i.e., assistance designed to produce results measurable only by the capital inputs which followed it. Some saw in this emphasis too much stress on foreign capital, including private foreign capital. The right of every country to determine the source of investment capital was fully recognized, but it was stated that it would not be right to put UNDP in the position of seeming to be more concerned with helping foreign capital, including commercial banks, than with helping the development of the developing countries. On the one hand, UNDP should strengthen rather than weaken its principal role as a catalytic agent for the transfer of knowledge, skills and technology; on the other hand, in its pre-investment activities in the strict sense of the term it should help the developing countries to distinguish between those kinds of investment which would help to overcome under-development and those kinds which would be more likely to aggravate it.

107. Other members, while agreeing that more should be expected from UNDP than the identification of bankable projects, considered that investment results were one of the most important yardsticks for measuring its success. Some members said that projects should as far as possible be investment-oriented and that there was a long-felt need for stepping-up investment follow-up.

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108. A number of members looked forward to the Administrator's study - which they hoped could be before the Council as early as possible in 1972 - as a basis for a clarification or redefinition by the Council of the role of UNDP in pre-investment work. Some of them felt that the study should include the concept of pilot projects, especially in agriculture and industry, which could be among the most valuable means of stimulating productive activity, especially in a subregional context. Other members spoke of the need for helping some countries to develop expertise in the formulation of investment projects, and considered that this was one area where UNDP could usefully devote special attention to the needs of the least developed countries. It was also suggested that the objectivity of advice provided through the Programme could be helpful to countries whose efforts to bring about real economic and social change were sometimes misinterpreted in the capital-supplying countries.

109. Some members wondered what the role of the Governing Council in the promotion of follow-up investment would be when it no longer examined specific projects. They invited the Administrator to include in his study his thinking on this aspect of the matter.

110. As regards the specific operational measures which the Administrator intended to carry out to improve the viability for investment follow-up of new and on-going projects and programmes, the members of the Council generally welcomed these as being consistent with the guidelines provided by the Consensus. Much emphasis was placed on the fact that it was the Government in each case which was primarily responsible for all measures to be taken to ensure effective follow-up, and that when the Government required advice or assistance from UNDP the latter should provide it in a dynamic manner at all stages in country programming and in the life of the project. The basic purpose of a pre-investment feasibility study was to answer clearly and directly potential investors' questions on whether or not an investment should be made. Some members, however, felt that this had unfortunately too often not been the case with UNDP-financed pre-investment studies. In fact, it had been more often the case that additional investment feasibility studies were required before potential investors obtained the kind of information needed to make decisions. This was particularly true in those projects executed by agencies which are concerned with certain sectors and whose studies and reports had stressed technical rather than financial considerations. Other members pointed out that there had been some encouraging signs of a higher investment rate in the last year of operations.

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111. Some members, while welcoming the operational measures proposed felt that they did not go far enough and expressed the hope that the Administrator would bring forward more concrete measures based on the realities of country programming. Others emphasized the responsibility of the Government in the matter, particularly in the eventual decision based on a feasibility study, and said that UNDP must take care not to find itself, in effect, interfering in the country's internal affairs.

112. Some members questioned whether the expertise in investment follow-up that was being provided in the UNDP Administration was on a scale sufficient to meet the needs of the large number of relevant projects already approved or likely to be approved in the future. They noted at the same time that the role of UNDP might differ according to which executing agency was involved and what expertise the agency itself might possess. There was a difference, for example, between the International Bank for Reconstruction and Development (IBRD) and the investment centres of FAO, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health (WHO), on the one hand, and the United Nations and some of the other agencies, on the other.

113. A number of members considered that IBRD was being given an increasing role in the activities of UNDP. They felt that the Administrator should rely to a greater extent on the expertise available within the regional economic commissions and even within the recipient countries themselves. Others, however, welcomed the willingness of IBRD, as well as the regional development banks, to advise on the investment aspects of UNDP-assisted projects, with the understanding that such advice would be obtained with the agreement of the Governments of the countries concerned. It was emphasized that the Governments must be kept in the forefront at all stages of these and other consultations on investment follow-up. Some members also considered that it would be desirable for UNDP to establish suitable liaison with private capital, for example, through arrangements such as that of the Executive Committee of the FAO/Industry Co-operative Programme.

114. Some members drew attention to the relevant part of paragraph 53 of the Consensus that no one source of follow-up investment financing should be taken as the only acceptable source or a source enjoying preference over others. They expressed concern that IBRD had been given preference in this respect. These members also stressed that the sovereignty of countries over their natural resources should be fully taken into account.

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115. A number of members promised the full support of their Governments to the Administrator's intention to establish a roster of investment experts who could be called upon to assist.

116. Several members of the Council stressed that the most critical point of action by UNDP in helping to promote investment follow-up was at the country level. A consequence of the country programming approach was that the resident representative must be educated to become "investment-minded". Similarly, the key to co-ordination of all external pre-investment and investment resources lay at the country level, and UNDP should be ready to play a full part in securing follow-up investment and also, through the resident representatives, in local aid co-ordinating groups established at the request of Governments.

117. The Administrator stated that he felt greatly assisted by the Council's discussion, and that he would take it fully into account in his further study of the question.

Decision of the Governing Council

118. At its 286th meeting, the Governing Council adopted the following decision:

"The Governing Council

"Takes note of the Administrator's report (DP/L.180);

"Expresses its satisfaction at the Administrator's intention, in preparing his next report for submission to the Governing Council as early as possible in 1972, to give due consideration to the observations and suggestions made by members in the course of the discussion at the Council's twelfth session."

C. Draft omnibus statute for the Programme

119. Under item 5 (c) of its agenda, the Governing Council had before it:

(a) A report by the Administrator which embodied a draft text of an omnibus statute for the United Nations Development Programme (DP/L.177), and supplementary information indicating the sources of the provisions of that text, as well as explanatory notes and a number of points for consideration by the Governing Council (DP/L.177/Add.1); and

(b) A proposal by Indonesia and the Philippines (DP/L.192) to increase the number of members of the Governing Council of the United Nations Development Programme to 45.

Summary of discussion

120. Most members of the Council underscored the importance of a UNDP statute as an instrument which would guide the operations of the Programme, and expressed the view that consideration of the question required great care and attention. A number of

members observed that the draft statute and the table of sources of its provisions prepared by the Administrator were extremely useful documents. Some members considered the draft statute a thorough piece of work prepared with skill and competence. A number of members recalled the relevant provisions of General Assembly resolution 2688 (XXV) that the draft statute should only consolidate existing legislation regarding UNDP. One member expressed readiness to accept it in its present form, subject to a few changes which he indicated. Some members put forward certain principles or provisions which they felt should be reflected in a UNDP statute, among them the principle of universality of UNDP membership, the prohibition of UNDP assistance to aggressor countries, elimination of any provisions on currency of contributions, a broader statement of the forms of assistance available from the Programme, less onerous provisions on local and counterpart costs for the least developed among developing countries, suppression of any reference to size of contribution as a criterion for election to the Governing Council, and provisions concerning senior staff at UNDP headquarters. Other members cited provisions which they thought warranted some clarification. One member expressed concern that Administrator had raised points for the Council's consideration not arising from the technical task of codifying existing decisions.

121. Members of the Council were virtually unanimous in their desire to allow more time for Governments to have an opportunity for more careful study of the documentation than had been available to them. In this connexion, some members expressed the view that a working group should be established to meet during the thirteenth session to consider the draft statute.

122. In introducing the joint Indonesian and Philippine proposal (DP/L.192) to increase the membership of the Governing Council to 45, the representative of the Philippines stated that a strengthening of the Council would be a logical consequence of the restructuring and expansion of UNDP on the administrative and secretariat side, the prospect of a doubling of UNDP resources by 1975, and the increase in United Nations membership since the establishment of UNDP in 1965. To increase the membership of the Council would make it more representative of both developed and developing countries and would do away with the anachronistic arrangement in General Assembly resolution 2029 (XX) of having a "floating" seat rotating in a nine-year cycle. The Philippine delegation deemed it fitting that consideration of a question affecting the membership of the Governing Council should commence

in the Council itself. At the same time, it understood the desire of members to study the proposal carefully and to consult their respective Governments thereon, and would therefore be agreeable to inclusion of its proposal as an annex to the report of the Governing Council (see annex V), thus setting in train the relevant decision-making processes of the United Nations.

123. The representative of Indonesia added that the question of the enlargement of the Council could be considered together with the examination of the improvement of the work of the Economic and Social Council, the institutional arrangements for science and technology and the review and appraisal of the implementation of the International Development Strategy.

124. The Indonesian-Philippine proposal was supported by a number of members of the Council, who considered that it met the need for a remedy to the problem of inadequate representation of some regions. Some members stated that, while they agreed in principle with the proposal, there should be more consultations among developing countries, particularly in the allocation of seats. One member expressed doubts on the proposal for the reason, among others, that it perpetuated the principle of limited UNDP membership. Other members felt unable to take a position on the proposal since, in their view, the Council on the present occasion did not provide the best forum for its consideration. They added that the consideration of the draft statute should not be used as a vehicle for making substantial changes, especially on a subject relating to the composition of the Governing Council.

Decision of the Governing Council

125. At its 285th meeting, the Governing Council adopted the following decision:

"The Governing Council

"Takes note with appreciation of the reports of the Administrator (DP/L.177 and Add.1) concerning a possible form and content of an omnibus statute for the United Nations Development Programme;

"Requests the Administrator to complete the foregoing reports in the light of relevant decisions taken at the eleventh and twelfth sessions of the Governing Council, and to transmit to all participating States of the United Nations Development Programme and to its Participating and Executing Agencies the reports mentioned in the preceding paragraph any supplementary documentation prepared by the Administrator under this paragraph, and the summary records of the 284th and 285th meetings of the Governing Council, together with a request for comments, if any, by 31 October 1971;

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"Further requests the Administrator to compile such comments and to submit them to the Governing Council at its thirteenth session."

126. At the same meeting, the Council also decided to include the Indonesian-Philippine proposal (DP/L.192) among the annexes to its report (see annex V).

D. Other questions in areas not fully discussed by the Council

Personnel for development assistance

127. For the consideration of this subitem, the Governing Council had before it the progress report submitted by the Administrator to the eleventh session of the Council (DP/L.163) and a supplementary progress report (DP/L.181) as well as a special report on the problem of housing for field personnel (DP/L.181/Add.1).

Report by the Administrator

128. The Administrator's progress reports gave an outline of the steps that had been taken or were envisaged in respect principally of three aspects of the personnel needs of UNDP-financed activities: (a) recruitment (b) briefing, orientation and training, and (c) conditions of service in the field. In addition, the question of a larger measure of autonomy for the Administrator in respect of the staff of UNDP itself had also been covered.

129. In introducing the reports, the Director of the Bureau of Administrative Management and Budget indicated that a measure of progress had been achieved with regard to arrangements for the speedier recruitment of qualified project personnel. While there were certain specializations where there was a shortage of qualified personnel, further progress could be made in respect of most fields of expertise through improvements in the processes and procedures of UNDP and the agencies. Recruitment of project personnel was of course the direct responsibility of the executing agencies, but the Administrator would provide whatever assistance he could in terms of paragraph 45 of the Consensus, to promote such improvements.

130. On briefing, orientation and training, the Director stated that while a great part of such activities must continue to be provided within each organization in regard to personnel employed by it, it had become increasingly clear that several, if not most, organizations had need of certain orientation and work-related training courses, which therefore could be best and most economically conducted on a central, co-ordinated basis. He then explained the role of the proposed Phase I of the Staff College in this regard. It was expected that the cost of the "core" staff of

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the Staff College would be shared by the United Nations, UNDP, the United Nations Institute for Training and Research (UNITAR) and other United Nations organizations, while the costs of each course would be met through appropriate arrangements for fees by the organizations sponsoring participants.

131. The Director, referring to conditions of service, explained that the study arranged by the Administrator showed the need to pursue this question at three levels. Thus certain improvements could be brought about by concerted administrative action in the several organizations by their executive heads. Other needed changes affecting the elements of the United Nations common system of salaries, allowances and other benefits would require action by the General Assembly and would accordingly be dealt with through the Special Committee for the Review of the Salary System established in 1970 by the General Assembly. A third type of question, principally housing for field personnel, would require action by UNDP, either at the level of the Administrator or, if necessary, by the Governing Council. As regards housing, which had become a major constraint to effective programme operations, the Administrator intended to make full and flexible use of the facility for making loans to Governments for this purpose. The Director, in conclusion, indicated that the Administrator would vigorously pursue action at the appropriate level in respect of the three areas of concern mentioned above.

Summary of discussion

132. In the discussion in the Council there was general emphasis on the critical importance of the speedy recruitment of highly qualified personnel to the success of the programme and that the Administrator's efforts in this field were to be commended. A few members expressed disappointment that the reports before the Council had been limited to information on developments in this respect and had not included specific proposals for action by the Council. It was also suggested that the Administrator should have a continuing dialogue with Governments in respect of what was termed "people raising" in much the same way as for fund raising. A further comment was made to the effect that personnel questions of concern to UNDP might be dealt with separately in respect of UNDP staff and of project personnel.

133. It was recognized that a measure of progress had been achieved but improvement with respect to recruitment remained a continuing effort. It was pointed out that the question of recruitment had become a regular item on the agenda of the Inter-Agency Consultative Board. Among the specific points emphasized were the early distribution of statements of project objectives and job descriptions to

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recruitment sources, more expeditious clearance of candidates by host Governments, speedier recruitment procedures within the organizations, closer exchange of information with bilateral programmes, suitable arrangements for the retention of personnel during periods between assignments. The view was also expressed that there should be a wider search for candidates, particularly from developing countries since candidates from these countries were specially qualified to serve in other developing countries and were becoming increasingly available. It was suggested that a larger number of young candidates could be attracted to work on UNDP-assisted projects through appropriate publicity.

134. Reference was also made to the need for further information on the criteria relating to the appointment of permanent representatives. One member stated that one of the most important criteria was that no one should be appointed resident representative before having been deputy resident representative or having had comparable experience and that political appointments should be avoided. There should be increasing concentration on the development of a career system and promotions from within the ranks to posts of resident representatives, with adequate flexibility to allow fresh talent to be brought in at all levels. One member felt that resident representatives should be judged, inter alia, on their ability to train and inspire younger people assigned to their operations.

135. There was general support in principle for the concept of the Staff College and particularly Phase I of the proposals in this regard. Many members, however, felt that the financial implications needed clarification and that there should be a full report to the Council at its thirteenth session. The discussion also brought out the special importance of the Staff College for the training of UNDP field staff and the need for full use of existing institutions and facilities in the organization of the courses. The question was also raised as to the specific status and role of UNITAR in what would evidently have to be an inter-organizational arrangement.

136. As regards conditions of service, there was general agreement with the three-level approach envisaged in the Administrator's report. Specifically the Administrator's intention to collaborate actively with the Special Committee to review the salary system established by the General Assembly was welcomed.

137. One member suggested that a method of evaluation should be established for project staff, based mainly on the views of the Governments that had received the staff.

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138. Extensive discussion was devoted to the problem of housing for field personnel (DP/L.181/Add.1). This was recognized as an urgent problem which must be resolved if UNDP personnel needs in the field were to be met. The Administrator must make full use of all facilities open to him under his authority to meet situations of acute housing shortage and members indicated their willingness to consider any further proposals in this regard. Some members underlined the efforts which host developing countries were making to find suitable housing for UNDP field personnel but these efforts needed to be reinforced by UNDP, through loans or other appropriate means. One member, citing the practice of a bilateral programme, wondered whether a guarantee by the host Government of the availability of housing should not be a pre-condition to the assignment of experts. As against this, it was contended that such a condition for multilateral UNDP co-operation might be inappropriate and the housing problem should be capable of solution through the means already indicated by the Administrator, or other additional methods if they became necessary.

Observations of the Administration

139. The Administrator, commenting on the specific questions which had been raised in respect of the appointment of resident representatives, assured the Council of his constant concern for the quality of personnel in these posts. The qualifications of all candidates for such posts were reviewed by the Administrator and his senior colleagues and the results had turned out very well. Some 75 per cent of resident representatives had come to those positions after having served UNDP in other capacities, or other organizations in the United Nations system. Moreover, in recruiting or assigning deputy resident representatives, an essential consideration was whether or not the candidate had the potential to become a good resident representative. The Administrator emphasized, however, that there was no basis for complacency in regard to this matter and that he would continue to seek high quality in his staff, in the field as well as at headquarters.

140. Responding to matters raised during the discussion, the Director of the Bureau of Administrative Management and Budget explained that the reports before the Council were essentially progress reports designed to inform the Council of the developments in regard to the various matters covered in them. In many cases further action lay within the secretariats of UNDP and the agencies and was within the authority of the respective executive heads. Other actions would have to be pursued through various intergovernmental organs as appropriate and in some cases the

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related interagency and other consultations had yet to reach a stage when firm proposals could be formulated and submitted for Governing Council approval. This last situation applied specifically to the question of the Staff College in regard to which a preliminary exchange of views had taken place in ACC. As regards housing, the Administrator had considered the possibility of seeking authority from the Council to make direct investment of funds in the construction of housing units but had felt that prior to doing so the means available to him especially in respect of granting loans to Governments for this purpose should be exhausted fully. This he intended to do with whatever flexibility was required in regard to both interest rates on the loans and periods of amortization.

141. The Director also replied to a number of specific questions.

Decision of the Governing Council

142. At its 282nd meeting, the Governing Council adopted the following decision:

"The Governing Council,

"Having examined the Administrator's progress report on personnel for development assistance (DP/L.163), as supplemented by the progress report in document DP/L.181 and Add.1,

"Recalling the decisive importance for the success of the Programme of speedy recruitment of highly qualified personnel,

"Takes note of these progress reports; and

"Requests the Administrator, bearing in mind the observations made during the discussion by members of the Council, and in consultation with the Inter-Agency Consultative Board, to continue his study of personnel for development assistance, and to report to the Council not later than its fourteenth session."

Accounting systems

143. Under item 5 (b) (ii) of its agenda, the Council had before it a report outlining UNDP participation in efforts to achieve common budgeting policies and accounting systems throughout the United Nations family of organizations (DP/L.171), consideration of which had been postponed from the Council's eleventh session.

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Summary of discussion

4. One member welcomed the role of UNDP in formulating the basic financial and accounting policy in the United Nations system. However, he noted that the report dealt only with bookkeeping, financial procedures and auditing, and suggested that UNDP explore further the possibility of using modern management oriented accounting systems envisaged in the Capacity Study.

Decision of the Governing Council

5. At its 285th meeting, the Governing Council took note of the report of the Administrator (DP/L.171).

CHAPTER IV
REPORT ON THE ACTIVITIES OF THE UNITED NATIONS
DEVELOPMENT PROGRAMME IN 1970

146. Under item 4 of its agenda, the Governing Council considered the report of the Administrator on the activities of UNDP in 1970 (DP/L.168 and Corr.1 and 2, DP/L.168/Annex, DP/L.168/Add.1-6) and resolution 30 (V) adopted by the Industrial Development Board at its fifth session on the programme of Special Industrial Services (SIS) (DP/L.195).

Summary of discussion

147. The Council expressed its satisfaction at the detailed information provided in the documentation which had been placed before it. In the view of many members, this had helped to focus attention on many important aspects of the activities of UNDP, including problems in the delivery of assistance, bottle-necks to be overcome, and the need for accelerated delivery of assistance in the future. One of these members felt that, at a future session, the Council should give attention to a basic question raised both in the documents presented under item 4 and the Joint Inspection Unit reports: specifically, what arrangements should be made for an effective but streamlined evaluation by the Council of UNDP activities, and what sort of information did it require for this purpose.

148. Many members dwelt on the procedures for the award of subcontracts for project execution and for the procurement of equipment. Emphasis was placed on the need for the award of subcontracts and the placement of orders for equipment to be done in accordance with international competitive bidding. Members suggested that one way to achieve this objective was to publish a comprehensive and regularly updated manual setting out the rules, procedures and practices followed by executing agencies to be made available to Governments for dissemination among prospective bidders. Another suggestion was to the effect that uniform procedures be introduced in all executing agencies for the award of subcontracts and procurement of equipment. Stress was also laid on the need to make further efforts to provide equitable opportunities for firms and organizations in all member countries to obtain contracts and for the provision of other services in the execution of UNDP projects. It was pointed out that developing countries should have a fair share of these contracts for equipment and services. It was further suggested that all relevant information on the prospective contracts should be made available to Governments, in order to ensure that only firms capable of carrying out a subcontract without delay be included in each short-list of potential contractors.

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149. On the question of regional distribution of UNDP resources, one member commented that any existing imbalance should be corrected so that all regions would receive their equitable share. In this respect, he suggested that the idea of having regional indicative planning figures be studied. Another member pointed out that the programme lacked universality and expressed the view that UNDP resources should not be allocated to "aggressor countries" which devoted a proportion of their resources for military purposes. The same member also observed that recruitment of a majority of both the UNDP staff and project personnel at all levels should not be confined to a small number of countries, but should be spread out among a larger number of countries. Another member noted with satisfaction that UNDP was participating more and more in the marshalling of resources to mount major concerted attacks on problems such as food production through global projects.

150. With respect to resolution 30 (V) adopted by the Industrial Development Board, the President pointed out that the resolution requested the Governing Council of UNDP to increase the amount of resources for the SIS programme to meet the increasing requests for assistance. He observed that the Council could not take a decision on the subject during its current session. Many members noted that assistance provided under the SIS programme was an important element in the development efforts to meet urgent problems of industrialization in developing countries.

151. On the subject of Trust Fund activities carried out by UNDP, one member expressed appreciation on behalf of the Nordic countries for the concrete results achieved by the United Nations Fund for Population Activities (UNFPA). He suggested, however, that more attention should now be given to improved delivery of the programme, since it seemed to have more than sufficient funds for its present or planned projects. A review of the aims of UNFPA should be undertaken, a long-term strategy and general operational guidelines should be worked out, the status and responsibilities of the Fund within the United Nations system should be more clearly defined and the Administration of the Fund should be strengthened by an increase in its staff. Another member said that assistance from UNFPA, one of the success stories in the United Nations system, should be availed of by countries with population problems and that countries, developed as well as developing, should endeavour to contribute to the Fund.

152. Some members observed that most of the resources available under the Fund of the United Nations for the Development of West Irian had been committed and that the Fund's activities would be phased out in the next two or three years. They urged

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that, in the circumstances, consideration be given to increasing the indicative planning figure for Indonesia to continue technical assistance and pre-investment activities in West Irian.

153. One member inquired if the Administrator, while providing information to the Council on individual projects under the country programming procedures, would also include information on requests for assistance received from recipient countries.

Observations of the Administration

154. The Assistant Administrator in charge of the Bureau for Programme Co-ordination informed the Council that the Administration would have no difficulty in responding to additional requests for assistance under the SIS programme as and when they were received. Requests under SIS were being financed out of the programme reserve, and the Administration saw no reason for concern especially in the light of the level of expenditures in this programme. Some of the requests initially financed under SIS could be expected, in due course, to lead to projects which would be appropriate for financing within the indicative planning figures.

155. With regard to the reference made by one member to the importance of world-wide agricultural research activities, the Assistant Administrator pointed out that UNDP was participating on a partnership basis with IBRD and FAO in this field. He also assured members of the Council that UNDP would pay special attention to the points raised with respect to the award of subcontracts and procurement of equipment, and would endeavour to work out a more appropriate system with the Executing Agencies.

156. Finally, he indicated that arrangements had already been made by the Administration to continue to provide Governments having bilateral programmes with copies of summaries of requests received for assistance from participating countries.

157. The Assistant Administrator of the Bureau for Programme Analysis and Policy Planning welcomed the fact that the report of the Administrator had met the Council's information needs. He also pointed out that the report contained concrete indications on the trends, achievements and difficulties encountered in connexion with the Programme. He assured the Council that whatever new shape these reports might take after the inauguration of the country programming procedures, the Administration would strive to maintain in future reports a clear and evaluative picture of these trends. They should give evidence of the increasingly mutual relationships in the field of technical assistance and pre-investment in which UNDP was playing a central role, and allow for new imaginative approaches to the goals set for the Second Development Decade.

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Decision of the Governing Council

158. At its 287th meeting, the Governing Council took note, with appreciation, of the report of the Administrator on the activities of UNDP in 1970 (DP/L.168, DP/L.168/Annex, DP/L.168/Add.1-6); the resolution adopted by the Industrial Development Board at its fifth session (DP/L.195); and the statement of the Assistant Administrator in charge of the Bureau for Programme Co-ordination referring to the support UNDP had provided, and would continue to provide, to the programme of Special Industrial Services.

CHAPTER V
FINANCIAL MATTERS

159. Under item 6 of its agenda, the Governing Council considered:

(a) A comprehensive statement on the financial position of UNDP for 1970 (DP/L.172) and a report on the Revolving Fund (DP/L.172/Add.1);

(b) A note on the size and composition of the Operational Reserve (DP/L.170);

(c) A note proposing revised arrangements relating to the custodianship of UNDP funds (DP/L.174) and comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the Administrator's proposals (DP/L.174/Add.1);

(d) A note by the Administrator on agency overhead costs (DP/L.176) accompanied by a report of FAO on the impact of its field programmes on its regular programme (DP/L.176/Add.1);

(e) A statement of revised resources and programme costs for 1971 (DP/L.188); and

(f) A verbal statement on the UNDP financial regulations and rules.

A. Financial position of UNDP for 1970 and report on the Revolving Fund

160. Under item 6 (a) of the agenda, the Administrator presented in DP/L.172 and Add.1 a comprehensive statement of UNDP operations for the year 1970 and the financial status of UNDP and in particular its Revolving Fund as of 31 December 1970.

Decision of the Governing Council

161. At its 288th meeting, the Council took note of documents DP/L.172 and Add.1.

B. Size and composition of the Operational Reserve

162. Under item 6 (b) of the agenda, the Administrator pointed out in DP/L.170 the lack of experience with the Operational Reserve under the new system of programming and suggested that the Council continue for the time being the Operational Reserve at the level of \$150 million, on the understanding that the matter be reviewed whenever circumstances so required.

163. The Governing Council referred this item for detailed consideration to the Working Group of the Council.

Summary of discussion

164. The Chairman of the Working Group reported that there was general agreement on the fact that there had been insufficient experience with the Operational Reserve to base any conclusions on its size, adequacy or composition. This was clearly due

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to its establishment only on 1 January 1971 and the fact that the new programming system was not yet fully in force. As a consequence, the Working Group recommended continuation of the Reserve at its present level and reconsideration of its size and composition at a later session of the Council, possibly in June 1972.

Decision of the Governing Council

165. At its 288th meeting, the Council approved the continuation of the Operational Reserve at a level of \$150 million, on the understanding that the matter could be reviewed again whenever circumstances so required, possibly at the fourteenth session of the Council.

C. Arrangements for custodianship of UNDP funds

166. In introducing item 6 (c) of the agenda, the Director of the Financial Management Division informed the Council that the Administrator had received the comments of ACABQ (DP/L.174/Add.1) on his proposals for revision of articles IV and V of the UNDP financial regulations which would have given effect to the transfer of custodianship of UNDP funds as outlined in DP/L.174. The ACABQ was of the opinion that the administrative and financial implications of the Administrator's proposals required study in more detail by UNDP and the United Nations. As a consequence, ACABQ recommended that the Governing Council defer a decision on this item until its thirteenth session.

Summary of discussion

167. Several members of the Council considered that action should be deferred in order to permit a more detailed report to be prepared. They proposed that the revised report should cover fully the areas of concern indicated by ACABQ in its comments.

168. One member requested in addition that the Administrator's report should cover in particular any implications for the United Nations regular budget on its Working Capital Fund and the comments of the United Nations Board of Auditors on the loss of investment income in 1969. He also requested the inclusion of proposed guidelines that would be applied by the Administrator in his application of investment policy.

169. Another member stressed the importance of guidance by an expert group like the Investments Committee of the United Nations as a safeguard against investment risks. Competition in capital markets between various United Nations organizations should be avoided and care should be exercised that liquidity requirements remained related to the period of UNDP forward commitments.

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Decision of the Governing Council

170. At its 288th meeting, the Council decided to postpone to its thirteenth session consideration of the Administrator's proposals in DP/L.174 and requested the Administrator, bearing in mind the comments made at the twelfth session, to submit to the thirteenth session the detailed report referred to in the comments of ACABQ in DP/L.174/Add.1 in sufficient time to be examined by the Budgetary and Finance Committee to be established by the Council.

D. Agency overhead costs

171. Under item 6 (d) of the agenda, the Administrator presented in DP/L.176:

(a) his progress report on current studies to explore new methods of reimbursing Executing Agencies for their overhead costs, incurred not only for project implementation but also for advisory services involving programming, project formulation and policy development;

(b) his proposal for a single composite rate of 12 per cent of UNDP project costs to apply as from 1 January 1972 to all UNDP-assisted projects following the full merger of the Technical Assistance and Special Fund components; and

(c) his proposal for a temporary 1 per cent increase in the rate of agency overhead reimbursement to apply during the interim period of 1 July 1971 to 31 December 1973, pending determination of a revised basis for meeting such overhead costs.

172. The Governing Council referred this item for detailed consideration to its Working Group. After extensive discussion of the issues involved, the Working Group reported its recommendations to the Council.

Decision of the Governing Council

173. At its 288th meeting, the Governing Council approved the recommendations of the Working Group, as follows:

"The Governing Council

"1. Took note of the Administrator's progress report contained in document DP/L.176 on the study currently in progress on new methods for the reimbursement of Executing Agencies for project implementation and for advisory services involved in programming, project formulation and policy development;

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"2. Considered that, in view of its responsibilities for ensuring that UNDP's resources are employed with maximum effectiveness for the developing countries' benefit, it should have an early opportunity to consider the ACABQ's review of ACC recommendations, particularly on questions of basic policy, and should endeavour to reach conclusions and make recommendations on these questions to the Economic and Social Council on the interim and long-term arrangements which should be applied on a system-wide basis;

"3. Approved a time-table as follows:

Autumn 1971	- consideration of feasibility study by ACABQ and ACC
Late 1971	- ACABQ review of ACC recommendations
January 1972	- consideration by the Governing Council of UNDP
Remainder of 1972	- development of system design
June 1972	- consideration by the Governing Council of UNDP
July 1972	- consideration by Economic and Social Council
Spring 1973	- consideration of new system by ACC and transmittal to ACABQ
Late Spring 1973	- consideration by ACABQ
June 1973	- consideration by the Governing Council of UNDP
July 1973	- consideration by Economic and Social Council
Autumn 1973	- consideration by United Nations General Assembly
January 1974	- start-up of new system;

"4. Approved, for the years 1972-1973, reimbursement to Executing Agencies of the lump sum amounts calculated at 12 per cent of their expenditures for the United Nations Development Programme project costs, retaining the possibility of flexibility adjustments by the Governing Council to take account of the unusual difficulties of the smaller or newer agencies and of the special circumstances of those agencies which historically had an unusually heavy emphasis on Technical Assistance activities;

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"5. Approved, for the year 1971, reimbursement to Executing Agencies under existing overhead arrangements, including for the second half of that year, adjustments (approximately \$710,000) resulting from the revised salary scales of professional staff, as adopted with effect from 1 July 1971 by the United Nations General Assembly at its twenty-fifth session;

"6. Approved, pending later determination of a revised basis for meeting overhead costs, a temporary overhead cost reimbursement factor of 1 per cent, for the period from 1 January 1972 to 31 December 1973, in addition to the standard rate of 12 per cent, and requested the Administrator to provide to the Governing Council at its thirteenth session detailed documentation on the basis on which overhead costs would be reimbursed during this interim period;

"7. Requested the Executing Agencies to provide full information in their budget documentation on the UNDP-financed and regular budget-supported expenditures for UNDP programmes."

E. Resources and Programme costs for 1971

174. Under item 6 (e) of the agenda, the Administrator presented in DP/L.188 his revised estimate of resources and Programme costs for 1971. The Director of the Financial Management Division pointed to the fact that 1971 pledges would probably be less than anticipated and that hopes for meeting the previous assumption of 9.6 per cent annual increase would depend greatly on the results of the 1972 UNDP Pledging Conference. Those results would be incorporated in the revised estimates of resources and programme costs for the next indicative planning figure period of 1973-1977 which would be presented to the Council in January 1972. At that time, the Council would be in a position to revise its assumptions for the next five-year period.

Decision of the Governing Council

175. At its 288th meeting, the Council took note of the Administrator's statement of revised resources and programme costs for 1971 contained in document DP/L.188.

F. Financial regulations and rules

176. Under item 6 (f) of the agenda, the Director of the Financial Management Division informed the Council of the Administrator's intention to present to the thirteenth session of the Council a provisional set of financial regulations to govern the financial aspects of the Programme during the interim period pending

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adoption by the United Nations General Assembly of the omnibus statute for UNDP. The Director indicated that in the preparation of the provisional regulations every effort would be made to ensure conformity with the intent of the Council, even though final decisions regarding the omnibus statute remained to be taken.

CHAPTER VI

ADMINISTRATIVE AND BUDGETARY MATTERS

- A. The possibility of establishing machinery to enable the Council to undertake a more detailed examination of the Administrator's proposals on subjects such as the budget, financial and related matters;
- B. Question of timing of the presentation to the Council of annual budget estimates for the administrative and programme support services

177. Under item 7 (a) and (d) of its agenda, the Council had before it a report by the Administrator (DP/L.185), which it decided at its 279th meeting to refer for consideration to the Working Group of the Council.

Report of the Working Group

178. The Working Group reported that it had considered the report of the Administrator and also suggestions put forward by its members on these two questions.

179. There was general agreement in the Working Group that the present arrangements for the consideration of budgetary and financial matters by the Governing Council were becoming increasingly inadequate particularly in the light of the growth of the Programme and efforts being made to improve its quality. It was considered that these problems would become even more serious with the anticipated increase in financial resources. The Group considered that the best way of improving the dialogue between members of Council and the Administration, in respect of budgetary and related financial matters, would be to establish a Budgetary and Finance Committee of the Council.

180. The Working Group considered the following aspects of this subject:

- (a) Terms of reference of the Committee (with particular reference to the relationship between the Committee and the Governing Council and ACABQ);
- (b) Composition of the Committee;
- (c) Methods of its work;
- (d) Timing of meetings, and of presentation of budget estimates to the Governing Council;

- (e) Date of establishment of the Committee.

Terms of reference

181. Agreement was reached in the Working Group on the possible terms of reference of the Committee. Members considered that it should deal with the budget estimates for

administrative and programme support services, as well as with other matters related to the financial management of the total Programme as decided by the Governing Council. Current examples of such other matters could be: accounting systems, agency overhead costs, the size and composition of the Operational Reserve, and the custodianship of UNDP funds. There was agreement that all budgetary and financial matters should be considered against the background of the over-all direction and rate of growth of the Programme.

182. There were suggestions from some members that the terms of reference should be broad enough to include country programming matters. It was the majority view that it would be premature at this stage to extend the terms of reference to cover such matters, but it was also felt that this question could be reviewed at a later date in the light of experience gained with the operation of the Budgetary and Finance Committee and the country programming process.

183. All members of the Working Group emphasized that the establishment of the Committee would in no way derogate from the full authority and responsibility of the Governing Council. The Committee's purpose would be to undertake an in-depth analysis of budgetary and financial matters in co-operation with the Administration and thereby identify and crystallize the main issues related to such matters. It would report its findings and observations to the Council in order to assist that body in arriving at decisions. It was hoped that the Council might be able to shorten its own sessions because of the assistance provided to it by the Committee. It was the opinion of the Working Group that the full and frank discussions which the Committee should undertake would also be useful to the Administrator in his preparation and submission of budgetary and financial proposals to the Governing Council.

184. It was also felt that the establishment of a Budgetary and Finance Committee would provide a basis for even closer liaison and co-operation between the Council and ACABQ which would continue to provide advisory services on budgetary and financial matters. In this connexion, it was agreed that consultations should be undertaken with ACABQ with a view to obtaining more systematic and comprehensive advice on budgetary and financial matters.

Composition of the Committee

185. The Working Group recognized the advantages which a small committee would have in terms of promoting the informal discussion of complex budgetary and financial

matters, however, the Group noted a number of disadvantages of restricted membership, related amongst other things to geographic representation and to continuity of service on the Committee. The Group concluded that these disadvantages more than offset the possible advantages and that the best solution would be to establish a Committee of the Council open to all members.

Methods of work

186. Members of the Working Group stressed that, in order for the Committee to achieve its objectives, it would be important for its deliberations to be carried out in an informal way without official summary records.

187. Regarding the officers of the Budgetary and Finance Committee, it was agreed that the Chairman would be the President of the Governing Council or such other representative of a member of the Council as may be designated by him after consultation with the Council. The Committee would elect other officers from among its members and work within the framework of the procedures of the Governing Council.

Timing of meetings

188. The Working Group devoted considerable attention to the question of the most appropriate schedule of meetings for the Budgetary and Finance Committee, particularly in relation to the timing of submission of the budget to the Council. The Group considered the question of a possible change in the fiscal year of UNDP and agreed on balance that it would be preferable to continue on the basis of the fiscal year currently used.

189. The Committee recognized the difficulties inherent in the present situation whereby budgets for a calendar year are presented to the Governing Council for approval at the beginning of that year at the Governing Council's January session. It was felt that members of the Council should be given an opportunity to consider at an earlier stage the Administrator's budgetary and financial proposals so that there could be a more creative dialogue between the Council and the Administration on these matters. The Group therefore agreed that Governing Council approval of the budget should be sought at the Council's June session in respect of the following fiscal year.

190. It was against this background that the Working Group considered the role and timing of meetings of the Budgetary and Finance Committee. It was recognized that any proposed arrangements would have to be reviewed in the light of further experience but it was agreed that, at least at the outset, a time-table and arrangements along

the following lines would be the most appropriate. The Administrator should prepare for the January session, in general outline, an indication of his thinking about budgetary proposals for the following fiscal year. This outline should take into account projected levels for the Programme itself, and various areas of administrative activity with their broad financial implications, but would not consist of a detailed budget.

191. There was considerable discussion as to whether the Budgetary and Finance Committee should meet at the beginning or the end of the January session of the Council. On balance, it was felt desirable that the observations, comments, and suggestions of the Budgetary and Finance Committee should be submitted to the full Council at the January session. It was agreed that the Committee's report should not provoke a budget debate in the Council itself. It was, nevertheless, agreed that an opportunity be provided to any delegation which had not been able to participate in the discussions of the Committee to add comments or make observations on its report.

192. In the light of these discussions, the Administrator would then prepare a budget to be ready in April for submission both to the members of the Council and ACABQ. The Working Group expressed the strong hope that it would be possible for ACABQ to readjust its work schedule to provide comments on the budget before the Council's June session.

193. The next stage in the process would be a meeting of the Budgetary and Finance Committee just before or concurrently with the June session of the Council. In considering the Administrator's budget proposals, the Budgetary and Finance Committee would have had the advantage of the comments of ACABQ and would make specific recommendations to the Governing Council with respect to the budgetary proposals and the Council would then be called upon to approve a budget for the following fiscal year.

194. At the June session, an additional responsibility of the Budgetary and Finance Committee of the Council would be to consider any supplementary estimates that the Administrator might submit in respect of the current year's budget.

195. The Working Group considered the possibility and desirability of establishing intersessional meetings of the Budgetary and Finance Committee, in particular between the June and January sessions. It was agreed that intersessional meetings should not be proposed at least before further experience with the new budgetary schedule and with the operation of the Budgetary and Finance Committee had been obtained.

196. The proposed time-table for meetings of the Budgetary and Finance Committee was based directly on the requirement to consider the Administrator's budgetary proposals. Within the framework of this time-table, the Working Group hoped that it would also be possible for the Committee to consider other related financial matters referred to it by the Council. In general, it was recognized that the proposed time-table would have to be implemented on a flexible basis, and that exact dates and timing of meetings would have to be determined by the Council in the light of further experience and within the framework of the calendar of meetings as approved by the Economic and Social Council.

Date of establishment of the Committee

197. The Working Group considered that the Budgetary and Finance Committee should be established as soon as possible and concluded that its first session should be held in January 1972 to consider budgetary proposals for 1973. At the same time, it was agreed that, partly because of the heavy workload involved, the Committee should not attempt to deal with the 1972 budget, which would be considered and approved by the Council in the traditional manner.

Decision of the Governing Council

198. At its 288th meeting, the Governing Council considered the report of the Working Group and, in its recommendation:

The Council decided that:

1. A Budgetary and Finance Committee of the Governing Council open to all members be established;
2. The purpose of the Budgetary and Finance Committee be to undertake, in co-operation with the Administration, an in-depth analysis of the budget estimates for administrative and programme support services, as well as other matters related to the financial management of the total Programme as decided by the Governing Council; to identify and crystallize the main issues related to budgetary and financial matters; and to report its findings and observations to the Council in order to assist that body in arriving at decisions;
3. All budgetary and financial matters be considered by the Budgetary and Finance Committee against the background of the over-all direction and rate of growth of the Programme;

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4. The Budgetary and Finance Committee's deliberations be carried out in private session without summary records;
5. The Chairman of the Committee be the President of the Governing Council or such other representative of a member of the Council as may be designated by him after consultation with the Council. The Committee would elect other officers from among its members and work within the framework of the procedures of the Governing Council;
6. The time-table for the budgetary presentation and consideration by the Council and the Finance Committee be as follows:
 - (a) The Administrator should prepare for the January session, in general outline, an indication of his thinking about budgetary proposals for the following fiscal year;
 - (b) The Budgetary and Finance Committee would consider this outline in January and report to the Council;
 - (c) In the light of discussions in the Budgetary and Finance Committee and the Council, the Administrator would prepare his budget proposals to be submitted in April to the Council and to the Advisory Committee on Administrative and Budgetary Questions;
 - (d) The Administrator's proposed budget, together with the report of the Advisory Committee on Administrative and Budgetary Questions on it, would be considered by the Budgetary and Finance Committee in June. The Committee would make specific recommendations to the Governing Council with respect to the budget proposals;
 - (e) The Council would then be called upon to approve the budget for the following fiscal year;
 - (f) The Council would also be asked to consider at its June session any proposals the Administrator might submit for supplementary estimates in respect of the current fiscal year;
7. This time-table for the consideration of the budget be reviewed from time to time by the Governing Council as it deemed appropriate;
8. The new procedures for the consideration of the Administrator's budgetary proposals commence in January 1972 in respect of the budget for the fiscal year 1973;
9. The Administrator's budgetary proposals for 1972 be considered by the Council at its January session in the traditional manner;

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10. For the time being, the Budgetary and Finance Committee meet just before or concurrently with the sessions of the Governing Council on specific dates determined by the Council, and subsequently on such other dates as may be determined from time to time by the Council in the light of experience with the operations of the Committee.

C. Reductions in the budget estimates for the administrative and programme support services of UNDP for the year 1971

199. Under item 7 (b) of its agenda, the Governing Council had before it a report by the Administrator on the reductions in the budget estimates for the administrative and programme support services of the United Nations Development Programme for the year 1971 (DP/L.186 and Corr.1).

Summary of discussion

200. The Deputy Administrator, in introducing this item, stated that the report reflected the undertaking given by the Administrator at the eleventh session to report to the Council on further reductions which he envisaged in the 1971 budget. The Deputy Administrator said that while the Administrator, after careful review of the 1971 budget provisions, had been able to effect savings under staff costs, temporary assistance, overtime and consultants, he had not been successful in making reductions under other items of the budget. He stated that the anticipated additional savings of \$715,000 would bring the 1971 budget to a level lower than that proposed during the eleventh session.

201. Appreciation was expressed to the Administrator for the efforts he had made to bring about savings in the 1971 budget. The hope was also expressed that the budget in future years would be kept to a minimum level.

Decision of the Governing Council

202. At its 288th meeting, the Governing Council took note of the report of the Administrator on the reductions in the budget estimates for the administrative and programme support services of the United Nations Development Programme for the year 1971 (DP/L.186 and Corr.1).

D. General policies in respect of budget estimates for the administrative and programme support services of UNDP for 1972

203. Under item 7 (c) of its agenda, the Governing Council considered a report by the Administrator concerning the general policies in respect of budget estimates for the administrative and programme support services of UNDP for 1972 and the form of the budget (DP/L.187 and Add.1 and 2).

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Summary of discussion

204. The Deputy Administrator, in introducing this item, stated that the report of the Administrator (DP/L.187) reflected a preview of the Administrator's budget for 1972 and that an addendum to the report (DP/L.187/Add.2) outlined a proposal for a new form of the budget in response to a decision by the Council at its eleventh session.

205. It was suggested that while the Administrator would make every effort to keep the increase in the budget for 1972 to the average assumed annual increase in contributions of 9.6 per cent, the increase might be higher of the needs indicated in the report. It was further suggested, therefore, that this question should be considered carefully by the Administrator and the Budgetary and Finance Committee to be established by the Council.

206. Members of the Council expressed appreciation for the rapid response by the Administrator concerning the adoption of a new format for the budget. It was suggested, however, that under the estimated budgetary requirements for specific operational objectives a comparative statement for the new, current and past fiscal years should also be included in future budgetary proposals. The Deputy Administrator said that this suggestion would be reflected in future budget submissions.

Decision of the Governing Council

207. At its 288th meeting, the Governing Council:

(a) Took note of the report of the Administrator on the general policies in respect of budget estimates for the administrative and programme support services of UNDP for the year 1972 (DP/L.187);

(b) Approved the proposals made by the Administrator concerning the revised form of the budget (DP/L.187/Add.2).

Review of the existing arrangements for the assignment of Senior Agricultural Advisers/FAO Country Representatives in selected UNDP field offices

Report of the Administrator

208. In introducing the report of the Administrator on this item (DP/L.187/Add.1), the Director of the Bureau of Administrative Management and Budget recalled the study which had been jointly arranged by the Administrator and the Director-General of FAO to review the arrangements in question. The report before the Council was based on the findings of that study and the resulting conclusions and recommendations, as agreed between the Administrator and the Director-General, were summarized in paragraph 26 of

document DP/L.187/Add.1. The detailed text of the report had also been agreed by the two executive heads concerned, both of which were deeply convinced that the arrangements proposed in the report would contribute significantly to a final and full integration of the FAO country offices into the field structure of UNDP. The same report was also being submitted to the FAO Council by the Director-General and it was hoped that both Councils would support and approve the recommendations.

209. The Administrator pointed out that the study had shown the appropriateness of the division of time of the Senior Agricultural Adviser/FAO Country Representative on an average, as to two thirds in respect of UNDP activities and about one third on non-UNDP work of FAO. The cost-sharing formula was accordingly based on this careful analysis of the time spent on the two sectors of work.

Summary of discussion

210. Members generally welcomed the clear and well-organized presentation of the report and expressed satisfaction with the over-all conditions and arrangements outlined in it. It was recognized that the success of the arrangements would continue to depend on the goodwill shown by the parties concerned in the field and the experience on this aspect over the last several years was noted with satisfaction. The proposed arrangements would provide a sound framework for building and strengthening effective working relationships in the future.

211. There was unanimous agreement also to the proposed cost-sharing formula of two thirds to UNDP and one third to FAO.

212. While much of the discussion on this subject was focused on the question of the additional seven posts that had been envisaged, several specific comments and clarifications emerged. Thus special attention was drawn to the importance of accommodating the Senior Agricultural Adviser/FAO Country Representative in the premises of the UNDP field office. While the duration of assignment might be established at three to five years, there was need for a measure of flexibility in this regard. Moreover, some members expressed misgivings on the question of giving the Senior Agricultural Advisers/FAO Country Representatives an equal footing with the deputy resident representative and added that this arrangement might create practical problems vis-à-vis the representatives of other agencies. In this connexion, the Administration confirmed that, in the absence of the resident representative, the deputy resident representative would normally assume all the responsibilities of the former. Lastly, the representatives of the Administrator and of FAO both confirmed

that the term "instructions" in the last sentence of paragraph 10 of the report was intended to cover the technical support and backstopping which FAO headquarters provided to the official in respect of the advice which he should give to the resident representative.

213. As regards the number of posts of Senior Agricultural Advisers/FAO Country Representatives, many members supported the proposal to add seven posts thus making a total of 62 posts in 1972-1973. Some members felt, however, that adequate justification for the increase had not been submitted and that in any event this question must be examined in January 1972 in conjunction with the UNDP budget estimates for 1972. Other members were of the view that they would have no problem with the higher number provided there was a demonstrated need for the additional posts.

214. The representative of FAO explained the need for the proposed increase in the number of posts and assured the Council that the final list of countries would be established jointly by UNDP and FAO after full consultation. The negotiations with the countries which had requested the assignment of such officials would be greatly facilitated by a firm advance indication of the total number of posts available.

Proposals considered by the Governing Council

215. During the discussion the following formal proposals and amendments were introduced in the Governing Council:

(a) An oral proposal by the representative of Sweden requesting the Administrator to provide the Council, at its thirteenth session, with a factual report on the working relationships and related arrangements between the resident representatives and field officials of agencies other than FAO;

(b) A draft resolution (DP/L.194) submitted by the representative of the United Kingdom of Great Britain and Northern Ireland reading as follows:

"The Governing Council,

"Having considered the report by the Administrator (DP/L.187/Add.1) on the review of existing arrangements for the assignment of Senior Agricultural Advisers/FAO Country Representatives in selected UNDP field offices,

"1. Decides to continue such arrangements on the modified basis proposed in DP/L.187/Add.1 and specifically that the costs of this service should, from 1 January 1972, be borne as to two thirds by UNDP and as to one third by FAO;

"2. Decides further to consider at its thirteenth session, in the context of the budget estimates for the administrative and programme

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support services of UNDP for 1972, whether financial provision should be made for the costs of posts additional to the existing 55 and if so for what additional number of posts funds can be made available in that year;

"3. Requests the Administrator, pending such consideration, to estimate for 55 posts only in 1972;

"4. Further requests the Administrator to report at its thirteenth session on the arrangements in force or which might be contemplated to provide comparable advice and support to resident representatives in other sectoral fields within the United Nations development system;"

(c) An amendment (DP/L.196) to the draft resolution of the United Kingdom submitted by the representative of Chile to replace operative paragraphs 1, 2 and 3 by the following:

"Approves the recommendations of the Administrator in paragraph 26 of document DP/L.187/Add.1, on the understanding that the financial implications of these recommendations will be considered when the Council discusses the UNDP budget estimates for 1972 and that before finalizing his budget proposals, the Administrator will review with the Director-General of FAO the number of Senior Agricultural Advisers/FAO Country Representatives in countries which require them".

216. During the consideration of these proposals, the representative of Sweden agreed that his proposal was in many ways subsumed in the last paragraph of the United Kingdom draft resolution and he therefore did not press his own proposal. In addition, the representative of the United Kingdom accepted: (a) a suggestion by the Philippines to add a second preambular paragraph reading: "Taking into account the observations made during the discussions by members of the Council"; (b) a suggestion by Italy to delete operative paragraph 3; and (c) a suggestion by Belgium to delete the word "comparable" in the last paragraph of the draft resolution.

217. After some further discussion, in which the majority of members expressed support for the amendment proposed by Chile, the representative of the United Kingdom further agreed to accept that amendment, while reserving his right to pursue the question in the context of the budget discussions. A similar reservation was expressed by the representative of France.

Decision of the Governing Council

218. At its 285th meeting, the Council reached agreement by consensus on the following formulation for its decision:

"The Governing Council,

"Having considered the report by the Administrator (DP/L.187/Add.1) on the review of existing arrangements for the assignment of Senior Agricultural Advisers/FAO Country Representatives in selected UNDP field offices,

"Taking into account the observations made during the discussion by members of the Council,

"Approves the recommendations of the Administrator in paragraph 26 of document DP/L.187/Add.1, on the understanding that the financial implications of these recommendations will be considered when the Council discussed the United Nations Development Programme budget estimates for 1972 and that before finalizing his budget proposals, the Administrator will review with the Director-General of the Food and Agriculture Organization of the United Nations the number of Senior Agricultural Advisers/FAO Country Representatives in countries which require them,

"Requests the Administrator to report at its thirteenth session on the arrangements in force or which might be contemplated to provide advice and support to resident representatives in other sectoral fields within the United Nations development system."

E. Reports of the Joint Inspection Unit

219. The Council had before it under item 7 (e) of its agenda a note by the Administrator concerning the reports of the Joint Inspection Unit received by him (DP/L.182).

Summary of discussion

220. In introducing this note, the Deputy Administrator informed the Council that he found these reports very valuable and that they had been carefully studied by the Administration of UNDP.

221. Members of the Council indicated that in view of the importance of the reports of the Joint Inspection Unit, these should be given more detailed consideration in future sessions of the Council. It was indicated that these reports were related to the Administrator's annual report and that they should therefore be considered by the Council in conjunction with the annual report. It was also stated that, in future, the note by the Administrator on the reports of the Joint Inspection Unit received by him should reflect his views on the specific suggestions made by the Joint Inspection Unit. /...

Observations of the Administration

222. The Administrator stressed that the Council might wish to devote sufficient time for consideration of the Administrator's annual report. In this regard the Deputy Administrator suggested that the annual report to the fourteenth session of the Council might incorporate a statement on the reports of the Joint Inspection Unit received by him.

223. The Deputy Administrator also informed the Council that the reports of the Joint Inspection Unit were given serious consideration by the Administration.

Decision of the Governing Council

224. At its 288th meeting, the Governing Council took note of the note by the Administrator on the reports of the Joint Inspection Unit (DP/L.182) and decided that future similar reports be considered together with the Administrator's annual report.

CHAPTER VII

UNITED NATIONS VOLUNTEERS

225. Under item 9 of its agenda, the Governing Council considered the progress report of the Administrator in document DP/L.183 and Add.1 and 2.

226. In introducing the report, the Co-ordinator of United Nations Volunteers said that the report reflected the progress made during the very short period of time since the inception of the programme. The establishment of this new programme had required great efforts in the face of some uncertainty and skepticism arising from the fact that many quarters were not convinced that the United Nations system was appropriately equipped to carry out such a programme.

227. He recalled that one of the basic purposes of the programme was to widen the sources of human input in international development. To accomplish this task, it was necessary to gain greater recognition and confidence from national and international organizations in the field of voluntary service. Any effort to change their attitudes would need to be based on a recognition of two facts, namely, the lengthy procedures which were seen to affect multilateral programmes and the meagre financial means put so far at the disposal of the programme.

228. In order to give effect to General Assembly resolution 2659 (XXV) establishing the programme, experience indicated that it was not practical to wait for requests from Governments. It was essential that the programme should play a more active role to assist the Governments concerned in identifying the projects which could usefully employ volunteers. A further difficulty related to the ability of the least developed countries - where the need for volunteers was greater - to meet the local costs. In order to overcome this problem, the Co-ordinator felt that measures to increase the indicative planning figures of these countries or preferably to utilize UNDP global resources should be considered.

229. In stressing that the programme should live up to the hopes and ideals reflected in the General Assembly resolution, the Co-ordinator expressed the hope that the Council would give every support with a view to overcoming the difficulties encountered in the initial stages.

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Summary of discussion

230. Members of the Council expressed their broad satisfaction at the various measures taken - as reflected in the progress report of the Administrator - to implement the programme of United Nations Volunteers. While it was noted that a good start had been made, several members expressed the hope that the programme would grow faster and that Governments would lend their support to this new activity.

231. Members generally recognized that the programme lacked sufficient resources and that its future was closely linked with the increased level of resources and the methods used to finance it. In the course of the debate, two members announced their Governments' contributions of \$10,000 each to the Special Voluntary Fund for the specific purpose of financing the cost of volunteers from developing countries. Some other members also expressed the opinion that the Voluntary Fund should be utilized to defray the cost of Volunteers from developing countries for whom there was no other source of finance. They maintained that the Fund should not be charged against project budgets or used to finance the local costs of Volunteers.

232. Some members emphasized that an interchange of Volunteers between developed countries and developing countries should be encouraged. The view was expressed that it was important to give an opportunity for Volunteers from developing countries to work, enabling them at the same time to gain training abroad which could be utilized on their return to their home countries.

233. In recognizing the difficulties that several developing countries would face with regard to meeting local costs, several members favoured the use of UNDP resources for this purpose. In this connexion, it was suggested by one member that some of the least developed among developing countries identified by the Committee for Development Planning might wish to utilize the services of Volunteers for development purposes but might be restricted from doing so owing to the burden of assuming local costs. In such cases, the Administrator should be able to waive the local costs and should also have the authority to defray these costs from the global resources of UNDP.

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234. One member stated that it would be more logical if the headquarters of the United Nations Volunteers in New York were located in Geneva and the Liaison Office in Geneva transferred to New York, since proximity of the headquarters to the clearing houses and the various United Nations organizations concerned would facilitate the programme's operations. Another member endorsed the proposal to transfer the headquarters of the United Nations Volunteers programme to Geneva and suggested that the question should be considered by the Administrator at the appropriate time.

235. Some members expressed reservations about the provision relating to immunity and privileges for United Nations Volunteers, referred to in the conditions of service of Volunteers (DP/L.183/Add.1). The view was expressed that the granting of immunities and privileges implied a loss of sovereignty on the part of recipient countries. Accordingly, it was difficult to justify them for technical personnel such as experts and volunteers. Some other members stressed that if such privileges and immunities were granted they should be of a minimal nature to assist in the proper performance of their functions as United Nations Volunteers. Another member referred to the need to clarify further the provision for summary dismissal of volunteers and the hearing and appeals procedures in administrative cases involving volunteers.

236. Some members emphasized the important bearing that recruitment would have on the over-all success of the programme. One member said that if the full co-operation and interest of Governments in the programme were to be sustained, it would be necessary to exercise vigilance against the danger of infiltration by agents wishing to use the programme for other missions. One other member expressed reservations in regard to the procedure proposed for delegating the responsibility of recruitment to intergovernmental and non-governmental organizations.

Decision of the Governing Council

237. At its 288th meeting, the Council, recalling its decision to pronounce itself at its thirteenth session on the question of the headquarters of the United Nations Volunteers, took note of the report of the Administrator (DP/L.183 and Add.1 and 2) and also of the observations made by members of the Council in the course of the discussion on this item at its twelfth session.

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CHAPTER VIII

UNITED NATIONS TECHNICAL CO-OPERATION ACTIVITIES

A. Annual report of the Secretary-General

238. Under item 8 of its agenda, the Governing Council considered the annual report submitted by the Secretary-General (DP/RP/11) which provided information on (a) the total assistance provided during 1970, (b) an outline of the 1971 regular programme of technical co-operation and (c) a general picture of the regular programme likely to emerge in 1972 and subsequent years.

239. In analyzing the report, the Commissioner for Technical Co-operation drew attention to some of the specific achievements in 1970 including the increased number of Special Fund projects. The Commissioner pointed out that half of the funds available under the United Nations programmes of technical co-operation had been earmarked for natural resources and transport, and gave a detailed account of mineral exploration and related projects and their significance to developing countries. He subsequently pointed out the careful planning and programming and vigorous effort made to utilize to the utmost the \$5.4 million available for the regular programme for 1970, exclusive of the allocation to UNIDO.

240. The Commissioner reported on the progress made over recent years in applying the new guidelines for the regular programme introduced in 1969 with regard to fields of activity, types of assistance and countries to be assisted, whereby special preference had to be given to a selected group of the least developed among the developing countries. In the 1970 programme, the number of those countries was reduced to 83 and from 1972 onwards technical co-operation under the regular programme would be limited to about 35 countries. On the other hand, pilot and demonstration projects would claim an increasing proportion of the programme resources, with emphasis on complex and comprehensive projects of an interdisciplinary nature for subnational regional development, particularly in the fields of public administration, plan formulation and implementation and social development, ensuring that all segments of the population become involved in the development process. In the spirit of the International Development Strategy for the Second United Nations Development Decade, national institutions concerned with plan formulation and implementation should be strengthened to permit accelerated economic and social progress through international teams of experts.

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241. Efforts were also being made to enhance the effectiveness and usefulness of the regional advisory services component of the regular programme.

242. The Commissioner briefly mentioned steps taken by the Secretary-General for improving co-ordination of efforts among all substantive divisions concerned, to improve the information system and generally to cope with the additional responsibilities involved in the new country programming approach. In closing, he mentioned the all-out effort made to improve the delivery of the whole programme executed by the United Nations, emphasizing the importance of a fine performance of project execution within the emerging new structure of the United Nations development system.

Summary of discussion

243. There was a general expression of appreciation of the policies adopted for the United Nations regular programme for 1972, especially the concentration on a small number of the least developed among the developing countries and on very specific fields of activities.

244. One member expressed satisfaction that the Commissioner had reported on the whole United Nations programme and not only the regular programme.

245. Another member expressed his appreciation for the inclusion of two projects in the field of low-cost housing among those to be financed by the regular programme and expressed the hope that projects in the field of human resources development would also be taken into consideration.

246. One member expressed his concern that, according to table 3 in document DP/RP/11, the percentage of funds for the African region had tended to decline in comparison with the preceding year.

247. With respect to the concentration of regular programme activities on the least developed among the developing countries, one member stressed that the needs of some developing countries which were not included in this classification should nevertheless be taken into consideration especially with respect to projects in the field of natural resources development. These countries, he added, still had enormous untapped natural resources.

248. The President of the Council pointed out the necessity for strengthening technical assistance activities in the field of human rights and promoting technical co-operation among the developing countries themselves, at the national level and at the subregional, regional and interregional levels. He

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added that a method should be sought to promote this interaction among the various developing regions themselves so as not to always depend on the co-operation that developed countries may offer.

Decision of the Governing Council

249. At its 289th meeting, the Council took note with satisfaction of the report of the Secretary-General (DP/RP/11).

B. Special natural resources advisory services

250. The Deputy Administrator presented document DP/L.191, a joint report by the Secretary-General and the Administrator of UNDP on arrangements between the United Nations and UNDP about special natural resources advisory services.

251. The Deputy Administrator stated that the Economic and Social Council, at its fiftieth session, had approved the establishment of those services under its resolution 1572 (L), which recommended that the United Nations Secretariat and UNDP work out arrangements to ensure harmonious functioning of these services and requested the Governing Council to consider these arrangements at its twelfth session with a view to offering its comments to the Council at its fifty-first session. Briefly, the proposal was based on the fact that the United Nations currently employed about 600 experts in the fields of cartography, geology and mining, water and energy. These specialists could constitute a global pool of expertise that could provide urgent short-term assistance to other countries, whenever needed and requested. In this connexion, the Deputy Administrator said that UNDP would continue paying the salary and allowances of the expert during his short-term advisory assignment to another country but that the United Nations might defray the cost of travel and subsistence allowances of these experts through the regular programme since activities in the field of natural resources were among those the United Nations was directly concerned with.

252. In the discussion, there was general agreement among members that this special advisory services scheme might permit more effective utilization of United Nations experts, but many members had questions about the advisability of confining the service to the field of natural resources, and many also expressed doubts about the practical methods set out in document DP/L.191.

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253. Some members expressed their concern that the Economic and Social Council had approved a resolution relating to a matter affecting both UNDP and the United Nations, and with financial implications for UNDP, without having previously given the Governing Council an opportunity to discuss the subject.

254. Moreover, some members expressed doubts about the feasibility of the proposed financial arrangements, i.e., that the cost of travel and subsistence allowance for such urgent advisory missions be financed with regular programme funds. In this respect, some members pointed out that, in their opinion, to avoid accounting problems it would be preferable for UNDP to absorb the entire cost, rather than charging to UNDP the salary and allowances of the expert carrying out a medium-term or long-term assignment in a country and the regular programme having to absorb the cost of travel and subsistence allowance during his temporary assignment to another country on a short-term basis.

255. Some members expressed general support for the scheme, while one member considered that the system ought to be tried out now and its results studied by the Council at a future session.

256. Two members indicated that the countries requesting such urgent short-term advisory services could finance the missions from their own indicative planning figures.

257. Several members considered that in view of the existing doubts with respect to the financial mechanisms of those missions and the best form of carrying out the scheme, it would evidently be necessary to make a more profound study concerning such services. In this connexion, two members proposed that the Administrator prepare a new proposal, to be submitted to the Council for consideration at its thirteenth session.

258. Finally, the Deputy Administrator assured the Council that rapid and efficient provisions of short-term advisory services in natural resources and other fields would be made available to developing countries requesting them, through existing mechanisms of UNDP and the Participating and Executing Agencies.

Decision of the Governing Council

259. At its 289th meeting, the Governing Council,

(a) Requested the Secretary-General of the United Nations and the Administrator of the United Nations Development Programme to prepare a comprehensive report on the special natural resources advisory services and similar systems of short-term expert assignments in other areas of activity. In preparing this study, the Administrator

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and the Secretary-General would take into account the ideas and views expressed by members of the Governing Council, and the report would be presented to the thirteenth session of the Governing Council.

(b) Requested the Economic and Social Council to postpone until its fifty-second session consideration of this agenda item, thus allowing the Governing Council's views to be taken into account.

(c) Noted the Administrator's assurance that the Council's postponement until the thirteenth session of full consideration of these matters would in no way reduce the rapid and efficient provision of short-term advisory services in natural resources and other fields, using existing mechanisms of the United Nations Development Programme and the Participating and Executing Agencies.

CHAPTER IX

UNITED NATIONS CAPITAL DEVELOPMENT FUND

260. Under item 10 of its agenda, the Governing Council considered a progress report by the Administrator (DP/L.175).

261. In introducing the report, the Administrator indicated that the primary reason for the lack of success to date of the Fund had been the low level of contributions. He would welcome suggestions from Council members on means for the attainment of the Fund's objectives. In the meantime, he proposed that the Fund's resources be utilized for development purposes through participation in the loans of development banks and other financial institutions.

Summary of discussion

262. Several members expressed regret at the lack of progress in the attainment of the objectives for which the Capital Development Fund had been established and agreed that the lack of financial support for the Fund was the principal reason for that failure. One member noted with approval the efforts of the Administrator to arrange follow-up investment for certain UNDP-supported projects through the provision of equipment to developing countries from the contributions to the Capital Development Fund.

263. Some members expressed support for the use of the Fund's current resources in participations in loans for development purposes. Two members considered that participations in loans of the regional development banks should have preference whenever possible. Another member expressed his disagreement with the participation in the Fund of international financial institutions such as IERD. One member pointed out the progress made on two projects to be financed partly out of the pledges made to the Fund.

Decision of the Governing Council

264. At its 289th meeting, the Council took note of the progress report of the Administrator (DP/L.175) and of his hope that his report to the thirteenth session of the Council would show more positive results.

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CHAPTER X

INFORMATION PAPERS ON THE REGULAR PROGRAMMES OF TECHNICAL
ASSISTANCE IN 1970 OF THE SPECIALIZED AGENCIES AND THE
INTERNATIONAL ATOMIC ENERGY AGENCY

265. Under item 11 of its agenda, the Governing Council had before it summary statements submitted by the ILO, UNESCO, WHO, ICAO, WMO, IAEA, UNIDO and UNCTAD (DP/L.169). The document also contained statements submitted by UNICEF and IBRD on programmes of a similar nature. These statements were submitted in accordance with the Council's request to be kept informed of the size and composition of regular programmes of technical assistance of the specialized agencies and IAEA.^{22/}

Decision of the Governing Council

266. At its 288th meeting, the Council took note of document DP/L.169.

^{22/} See Official Records of the Economic and Social Council, Forty-first Session, Supplement No. 11 A, (E/4219), paras. 166 to 169.

CHAPTER XI

DEVELOPMENT SUPPORT INFORMATION SERVICE

267. Under item 15 of its agenda, the Governing Council considered a note by the Administrator on the Development Support Information Service (DP/L.184).

268. In introducing his note, the Administrator stated that he considered it essential that the Programme provide better information services. He hoped that members of the Council would find the paper interesting, and stated that it should be considered as a preface to a fuller report on the subject which would be presented to the Governing Council at its thirteenth session.

Summary of discussion

269. Several members of the Council welcomed the idea of decentralization of the Development Support Information Service and the intention to devote increased emphasis to radio and television techniques. A number of members stressed the need to define more clearly the relationship between the Service and other information services, particularly the United Nations Centre for Economic and Social Information. In this connexion, emphasis was placed upon the need for better co-ordination of the information activities of the United Nations system, at the international, regional and country levels.

270. Two members questioned the trend of expansion implied in the paper, and the fragmented character of economic and social information activities undertaken by the United Nations system. One member stressed that the primary responsibility in information work lay with Government information agencies in both developed and developing countries. Another member declared that UNDP had some responsibility with respect to the information required to help projects succeed. This could have a direct relation to development. He therefore hoped that a more complete analysis of the roles of Governments of developing countries and of UNDP would be presented for a further and more systematic discussion to take place in the Council at its thirteenth session. Clarification was requested about the activities of UNDP in the distinct fields of public information and project support communication.

271. Several members called for a detailed costing of any expenditures that would be needed for an expansion of the UNDP information programme.

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Observations of the Administrator

272. The Administrator stated that he attached great importance to public information as an important means of increasing voluntary contributions to UNDP. In this connexion, he said that far too many people, both outside of and within the United Nations system, knew too little about the problems of development and the development work of the United Nations system and UNDP. It was, he added, the task of everyone connected with UNDP and the Governing Council to make known the important tasks of development that were being carried out. Only through public awareness and understanding would the necessary support be generated for the global development effort.

Decision of the Governing Council

273. At its 289th meeting, the Governing Council decided to consider Development Support Information Services and communication services to support UNDP-assisted projects and programmes at its thirteenth session and requested the Administrator in reporting on these questions to take into account the views expressed by members during the discussion at the twelfth session.

CHAPTER XII

OTHER MATTERS

Administrative and programme support services of UNDP

274. At its 289th meeting, in view of the Governing Council's decision to hold its next regular session in January 1972, the Council authorized the Administrator to maintain during the first part of January 1972 a rate of expenditure in respect of the administrative budget of UNDP at a level not to exceed that approved for 1971, pending approval by the Governing Council, at its next regular session, of the administrative budget for 1972.

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CHAPTER XIII

DATE AND PROVISIONAL AGENDA OF THE THIRTEENTH REGULAR SESSION

275. At its 289th meeting, the Council decided to hold its thirteenth session from 12 to 28 January 1972 at United Nations Headquarters.

276. At the same meeting, the Council, in accordance with rule 8 of its rules of procedure and under item 12 of its agenda, considered the draft provisional agenda for the thirteenth session.

277. The draft provisional agenda for the thirteenth session reads as follows:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. UNDP programme recommendations of the Administrator:
 - (a) Consideration of individual projects of the UNDP (Special Fund) programme in private meetings;
 - (b) Approval of UNDP (Special Fund) programme recommendations;
 - (c) Approval of UNDP (Technical Assistance) regional and interregional project recommendations of the Administrator.
5. Country and inter-country programming:
 - (a) Consideration and approval of country programmes;
 - (b) Consideration and approval of indicative planning figures.
6. Further consideration of the question of the approval of country projects.
7. Financial matters:
 - (a) Contributions;
 - (b) Resources and Programme costs for 1972;
 - (c) Initial estimates of resources for 1973-1977 and approval of their distribution;
 - (d) Waiver of local cost assessments for 1972;
 - (e) Review of the arrangements relating to custodianship of UNDP funds;
 - (f) Agency overhead costs;
 - (g) UNDP financial regulations and rules;
 - (h) Audit reports.
8. Administrative and budgetary matters:
 - (a) Budget estimates for the programme support and administrative services of UNDP for the year 1972;

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- (b) Arrangements in force or which might be contemplated to provide advice and support to resident representatives in other (than agriculture) sectoral fields within the United Nations development system;
 - (c) Participation of UNDP in the "United Nations Staff College";
 - (d) General outline of the Administrator's ideas regarding the budget for the programme support and administrative services of UNDP for the year 1973.
9. Draft omnibus statute for the Programme for consideration by the General Assembly (General Assembly resolution 2688 (XXV)).
 10. Paper on action taken in 1971 by organs of the United Nations and related agencies on matters relating to the United Nations Development Programme.
 11. United Nations regular programme of technical co-operation - Special Advisory Services in the field of natural resources and other fields.
 12. United Nations Volunteers.
 13. United Nations Capital Development Fund.
 14. Development support information service and communication services to support projects and country programmes.
 15. Date and provisional agenda of the fourteenth session of the Governing Council.
 16. Other matters.
 17. Draft report of the Governing Council to the fifty-third session of the Economic and Social Council.

ANNEXES

ANNEX I

List of delegations

MEMBERS OF THE GOVERNING COUNCIL

Australia

Mr. L.L. Joseph,* Mr. R.W. Butler,** Mr. C. Heseltine***

Belgium

Mrs. S. Vervalcke,* Mr. Jean-François Ghyoot,** Mr. Gérard Lavergne***

Brazil

Mr. A. Patriota,* Mr. Pedro E. Penner da Cunha**

Cameroon

Mr. Salomon Bakoto*

Canada

Mr. H.J. Hodder (First Vice-President),* Mr. H.B. Long,*** Miss B.A. Mercer,***
Mr. R.J.L. Berlet,*** Mr. Y.R. Parent***

Central African Republic

Mr. François Pehoua,* Mr. Michel Adama-Tamboux,** Mr. François Farra-Frond**

Chile

Mr. Hernán Santa Cruz (President),* Mr. Edgardo Floto,* Mr. Miguel Insulza,**
Mr. Carol Pinto,** Mr. Claudio Iturra,*** Mr. Atilio Barrios,***
Mrs. Eliana Bronfman,*** Mr. Jaime Pardo,*** Mr. Jorge Ossa,***
Mr. Nicolás Novoa***

Cuba

Mr. Ricardo Alarcón,* Mr. José Raúl Viera Linares,** Mrs. Esperanza Ballester,***
Mr. Rogelio Rodríguez,*** Mr. Jorge Pollo,*** Mr. Oscar Gutiérrez***

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- * Representative.
 - ** Alternate Representative.
 - *** Adviser.

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Czechoslovakia

Mr. Miloš Vesely,* Mr. Jan Zizka**

Denmark

Miss Inger Nielsen,* Mr. Mogens Isaksen,** Mr. Christian Oldenburg**

Federal Republic of Germany

Mr. Walter Rau,* Mr. Gerhard Pfeiffer,** Mr. Heinrich Neufeldt,**
Mr. Peter Jabcke***

France

Mr. Maurice Viaud,* Mr. Michel Posselle,** Miss Nicole Courson,**
Mr. Maurice de Vincelles***

India

Mr. M.G. Kaul,* Mr. G.J. Malik,** Mr. A.N. Abhyankar,** Mr. Shiv Kumar**

Indonesia

Mr. J.B.P. Maramis,* Mr. T. Hutagalung**

Italy

Mr. Norberto Behmann,* Mr. Giovanni Scolamiero,** Mr. Romolo Bartoli,**
Mr. Mario Matteucci***

Ivory Coast

Mr. Siméon Aké (Second Vice-President),* Mr. Koffi Kouamé**

Japan

Mr. Masahiro Nishibori,* Mr. Takeshi Naito,** Mr. Tadayuki Nonoyama,**
Mr. Taizan Araki,** Mr. Yoshimi Suzuki,** Mr. Ryoichi Kurata**

Kuwait

Mr. Soubhi J. Khanachet,* Mr. Faisal Al-Ghais**

* Representative.

** Alternate Representative.

*** Adviser.

Libyan Arab Republic

Mr. Mohamed Maki Abuzeid*

Mauritania

Mr. Hasni Ould Didi*

Mexico

Mr. Ismael Moreno-Pino,* Mr. Ricardo Galán,** Mr. Antonio García Alonso***

Netherlands

Mr. Charles Rutten,* Mr. R.M.H. Koesoemo Joedo,** Mr. J.F. Boddens Hosang**

Norway

Mr. Paal Bog,* Mr. T.P. Svennevig**

Pakistan

Mr. A. Momin*

Panama

Mr. Roger Decerega,* Mr. Paulino Romero C.**

People's Republic of the Congo

Mr. Ekondy-Akala,* Mr. François Loemba**

Peru

Mr. Arturo García,* Mr. Luis Thais,** Mr. Oldemar Saavedra,**
Mr. Jaime Stiglich***

Philippines

Mr. Narciso G. Reyes,* Mr. Leandro I. Verceles (Rapporteur),**
Mr. Ernesto C. Garrido***

-
- * Representative.
 - ** Alternate Representative.
 - *** Adviser.

Romania

Mr. Gheorghe Diaconescu (Third Vice-President),* Mr. Nitza Constantin**

Sweden

Mr. Ernst Michanek,* Mr. Børge Billner,** Mr. Håkan Granqvist,*** Mr. Sven Berg,***
Mrs. Madeleine Ströje-Wilkens***

Switzerland

Mr. Sigismond Marcuard,* Mr. Richard Gaechter,** Mr. Eric M. Roethlisberger***

Syrian Arab Republic

Mr. Shayesh Terkawi*

Tanzania

Mr. Francis George Okelo*

Union of Soviet Socialist Republics

Mr. A.P. Kovalev,* Mr. L.H. Astafiev,** Mr. A.I. Korolev,** Mr. I.F. Makarov,**
Mr. E.I. Kalatchev***

United Kingdom of Great Britain and Northern Ireland

Mr. W.A.C. Mathieson,* Mr. B.T. Jordan,** Mr. D.F. Milton,** Mr. H. McQuade***

United Republic of Tanzania

Mr. A.C. Faraji,* Mr. M.A. Kivumbi**

United States of America

Mr. Bernard Zagorin,* Mr. Robert W. Kitchen,** Mr. Lloyd Jonnes,**
Mr. Peter Simon,*** Mr. John Ferchak,*** Mr. Richard L. Springer,***
Mr. Robert P. Coe***

* Representative.

** Alternate Representative.

*** Adviser.

OBSERVERS FROM MEMBER STATES

Austria

Mr. Friedrich Hohenbühel

Ecuador

Mr. Cornelio Marchan

Finland

Mr. Jaakko Iloniemi
Mr. Pertti A.O. Kärkkäinen

Israel

Mr. Dov Sattath
Mr. Yaacov Saphir

Spain

Mr. José Manuel Cervera de Góngora

Venezuela

Mr. José Rafael Ramírez-Roa
Mr. Heli José Badell Velasco

UNITED NATIONS SECRETARIAT

Department of Economic and Social Affairs

Mr. Victor Hoo, Commissioner for Technical Co-operation
Mr. Stig Andersen, Director, Office of Technical Co-operation

UNITED NATIONS BODIES

Office of the United Nations High Commissioner for Refugees

Mr. O. Haselman

United Nations Children's Fund

Mr. Roberto Esquerra-Barry, Mr. Victor Raúl Montesinos

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United Nations Conference on Trade and Development

Mr. Paul Berthoud

United Nations Development Programme

Mr. Paul G. Hoffman, Administrator

Mr. C.V. Narasimhan, Deputy Administrator

Mr. Myer Cohen, Assistant Administrator
Bureau for Programme Co-ordination

Mr. Rajendra Coomaraswamy, Assistant Administrator and Director
Regional Bureau for Asia and the Far East

Mr. Michel Doo Kingue, Assistant Administrator and Director
Regional Bureau for Africa

Mr. Stephane Hessel, Assistant Administrator
Bureau for Programme Analysis and Policy Planning

Mr. S. Makiedo, Assistant Administrator and Director
Regional Bureau for Europe, Mediterranean and the Middle East

Mr. Gabriel Valdés, Assistant Administrator and Director
Regional Bureau for Latin America

Mr. A. Vaidyanathan, Director, Bureau of Administrative
Management and Budget

Mr. John A. Olver, Director, Financial Management Division

Mr. A.K. Sadry, Co-ordinator of United Nations Volunteers

Mr. Georges Dumontet, Secretary of the Governing Council

Mr. David A. Morse, Chairman of the Advisory Panel on
Programme Policy

United Nations Industrial Development Organization

Mr. Santiago Quijano-Caballero

SPECIALIZED AGENCIES

International Labour Organisation

Mr. Francis Blanchard, Mr. Ph. Blamont, Mr. José Luis Bustamante

Food and Agriculture Organization of the United Nations

Mr. P. Terver, Mr. J.F. Yriart, Mr. E.H. Hartmans, Mr. H.B. Wirin,
Mr. O. Olcese

United Nations Educational, Scientific and Cultural Organization

Mr. Manuel Jiménez, Mr. A. Prager

International Civil Aviation Organization

Mr. Edgar Pol, Mr. Paul Fournier

World Health Organization

Dr. A. Bellerive, Dr. A. Mochi

International Bank for Reconstruction and Development

Mr. Vincent J. Riley

International Monetary Fund

Mr. Jack P. Barnouin

International Telecommunication Union

Mr. Herman Ruud

World Meteorological Organization

Mr. K. Parthasarathy

* * *

International Atomic Energy Agency

Mr. L.M. Ramírez-Boettner*

World Food Programme

Mr. William N. Fraleigh

* At the special request of the Agency

INTERGOVERNMENTAL BODIES

Inter-American Development Bank

Mr. Arturo Morales, Mr. Alfonso Rochac

International Secretariat for Volunteer Service

Mr. Vladimir Alvarez

ANNEX II

STATEMENTS AND ADDRESSES MADE AT THE CEREMONIAL OPENING
OF THE TWELFTH SESSION OF THE GOVERNING COUNCIL OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME

Message from the Secretary-General of the United Nations

I am very glad to send my greetings and good wishes to the Governing Council of the United Nations Development Programme at its twelfth session. It is auspicious that, at the very beginning of the Second Development Decade, this meeting should be taking place in a developing country. The fact that President Salvador Allende will be formally inaugurating the session will help greatly to assure its success. I extend to him my personal greetings and my best wishes for the economic and social progress of Chile under his leadership. The President of the session, my old friend Ambassador Hernán Santa Cruz, is a man of many parts, whose experience of the work of the United Nations in every field - political, economic, social, human rights - is unrivalled. Under his guidance, this meeting of the Governing Council will undoubtedly produce important results for the benefit of the developing countries to the service of which the work of UNDP is dedicated.

This spirit of dedication is exemplified to the highest degree by Mr. Paul Hoffman, the Administrator of the United Nations Development Programme. He is indeed the apostle of multilateral development, and both the developing and developed worlds owe him a special debt of gratitude for his commitment to the cause of development over the last twelve and a half years.

It is most fitting that this message be brought to you by my Chef de Cabinet, Mr. C.V. Narasimhan, who concurrently serves as Deputy Administrator of UNDP. The senior echelon in UNDP has only recently been restructured, and Mr. Hoffman is to be congratulated on the excellent choices he has made to fill the new senior posts. I take this occasion to offer my best wishes to the new Bureau Chiefs, Myer Cohen, Rajendra Coomaraswamy, Michel Doo Kingué, Stéphane Hessel, Sergije Makiedo, and last but not least, Señor Gabriel Valdés, who served Chile as Foreign Minister with such distinction during recent years.

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As we look around the world today, it becomes increasingly clear that more and more donor countries are placing their faith in multilateral channels for utilization of development assistance. The United Nations development system, although restricted in scope mainly to pre-investment work, is one of the main channels of such assistance. I am convinced that the goal of doubling the resources of UNDP during the next few years is realistic, attainable, and indeed necessary. How soon it will be attained depends upon the political will of the major donor countries, on the one hand, and the demonstrated effectiveness of UNDP in utilizing the resources made available to it for the benefit of the developing world, on the other. Since I have faith and confidence in the ability of the restructured UNDP to deliver aid effectively, may I once again emphasize the importance of the element of political will on the part of the major donor countries.

I hope that your stay in Chile will be a fruitful one. I am sure that you will receive overwhelming hospitality from your Chilean hosts, and therefore it will necessarily be a pleasant one. I also understand that you will have opportunities to visit some projects and see at first hand some of the good work that has been done by UNDP over the years. I wish you all a most successful session.

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Address by Mr. Salvador Allende, President of Chile

The people of Chile, who have become the Government, wish to thank the Governing Council of the United Nations Development Programme for accepting their invitation, and are honoured to welcome the delegates here present.

This is the first of its sessions that UNDP has held in direct contact with the problems of a developing country and with the projects which it has helped to put into execution. It is an auspicious circumstance that such an event should coincide with the beginning of a new phase of the Programme's existence, following upon a restructuring which gives it greater flexibility, decentralizes it, reaffirms its purposes of co-operating with Governments, and at the same time emphasizes the idea that each country should develop independently, in conformity with the will of its people and with the principles laid down in the Charter of the United Nations.

We set the high value it deserves on the work of UNDP and on all that it has signified as a factor in international understanding and as a manifestation of solidarity on the part of more than 100 countries that provide experts and financial resources for the especial benefit of the peoples of the third world.

Tens of thousands of experts have shared with Governments all over the world, in a spirit of selfless devotion and almost always with good results, the urgent task of restoring their human dignity to the underprivileged men and women of Africa, Asia and Latin America. We should also call attention to the unsparing efforts of the Programme executives, among whom I should like to single out Paul Hoffman, Administrator of the Programme ever since it was established, who is exemplary in his rectitude and loyalty to United Nations ideals.

In our country UNDP has done noteworthy work. In conjunction with the United Nations, FAO, UNESCO, the ILO, WHO, WMO, ITU and ICAO, it has co-operated in many projects of far-reaching scope in a number of sectors of activity. I should like to take this opportunity of expressing our gratitude to UNDP for all it has done, as well as to the specialized agencies of the United Nations that have participated in the formulation and execution of the projects.

The topics that you will be discussing at this conference stem from the most vital problems with which the world is faced, and in particular from the abysmal social and economic gap between a small number of affluent nations and the great majority of the peoples of the earth.

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These regional disparities are not due solely to greater dynamism in the structural characteristics of the European and Anglo-Saxon countries. It is true that this dynamism has been the driving force behind an energetic and inventive civilization, but it does not suffice in itself to explain how a capacity for self-sustained progress has endured for 2,000 years, while other civilizations, likewise the expression of immense creative power, flourished in earlier times only to vanish or to linger on in a state of technical and economic stagnation.

We, the peoples of Latin America, know what the real position is; we are made aware of it through our own experience, directly linked to the capitalist civilization. The existing internal structure, both social and political, is frustrating. For five centuries we have maintained economic relations with the outside world; and these are daily widening the gulf between the uninterrupted development of the great metropolitan countries and our increasingly lagging progress.

And thus we belong to a mass of humanity in which average life expectancy is 30 years, or half as long as that of the citizens of the industrialized countries; unemployment and underemployment together leave 50 per cent of the economically active population jobless - a situation which is becoming so much worse that in the 1970s the developing countries will have to create employment opportunities for 236 million more people.

There are 700 million illiterates in Africa, Asia and Latin America. Forty per cent of all women are condemned from birth to total illiteracy. Fifteen per cent of the population are openly hungry, while 50 per cent are undernourished. We need more houses - 50 million more dwellings in the towns, and about 200 million in rural areas.

The steady intensification of trade relations with the capitalist countries has converted the dependent countries into a proletariat. In the industrialized countries, the per capita gross national product averages \$2,500; in some it exceeds \$3,500; its annual growth rate is 5 per cent; they concentrate 88 per cent of the world product while we, who represent 60 per cent of the population of the globe (excluding the People's Republic of China) are increasing a gross national product that ranges from \$50 to \$1,100 in terms of per capita income at an average annual rate of only 2 per cent; in most cases it is less than \$150, and its annual growth rate is only 1 per cent.

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This widening disparity, and the awareness of it fostered by the communications media, are sowing the seeds of revolt among the exploited peoples, who are rebelling, sometimes with violence, against the subjection in which they are held by the expansion of capitalist relations.

The present situation is intolerable. To shake off their inequitable burden, the peoples of the third world - Chile among them - are fighting on two fronts, which are gradually fading into each other. The great national task is to do away with the socio-economic power structure that permits class exploitation and perpetuates backwardness. But changes are also imperative in international relations. Some countries are exploiting our resources and subordinating our development to their own internal plans; this is something we cannot put up with. The unfair international division of labour and the developed countries' virtual monopoly of world trade have reduced our share of this trade from 27 per cent in the 1950s to a mere 17 per cent in 1969. And they will go on reducing it, since our exports still consist mainly of raw materials, for which demand increases more slowly than for manufactured goods.

The gap between the capitalist industrialized countries and the countries on the periphery is widening. Some are bringing their flow of financing to a halt; they are monopolizing maritime transport; they maintain tariff and non-tariff barriers to trade in commodities, manufactures and semi-manufactures; they are steadily sucking capital out of the dependent countries; they juggle with the world monetary system on monopolistic terms. And all these things often pass as aid. For example, between 1960 and 1967 more than \$14,000 million flowed out of Latin America, and the outflow in debt-servicing was greater than the inflow of new loans. A tragic paradox, and a peculiar form of "service". This vicious circle will have to be broken sooner or later, and the later this is done, the more violence will it entail.

Unfortunately, the international community has not adopted a realistic attitude to the problem. It is keeping many peoples in a position of dependence through long and bloody wars, open colonialism, or the more subtle method of neo-colonialism. It invests colossal sums in marginal activities solely for reasons of international prestige. Moreover, it is wasting vital resources. In 1970 world expenditure on armaments totalled \$210,000 million. The income for a whole year of almost the entire population of the developing countries was spent on preparing destruction. It would seem that the aim which mankind has been pursuing for centuries - mastery

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of nature - is being attained today, not so much to serve mankind as to further ends that are alien to his real needs and may actually imperil his survival.

In fact, the United Nations possibilities of action are limited by the circumstances of the international community.

The Charter signed in San Francisco cannot compel anyone to provide technical and financial co-operation or to eradicate racial discrimination, despite the solemn commitment imposed by Article 56. But the majority of countries, supported by an efficient Secretariat imbued with the principles of the Charter and aware of its responsibilities, can and must act against injustice, inequality and economic aggression. According to the Charter, economic and social development is the basis of world peace; it unites all countries in the fight against poverty, ignorance, hunger and want.

There must be more and better-oriented international co-operation and there must be an end to present conflicts. We must work towards genuine disarmament. The vast technological, human and economic resources that are now squandered on war must be used to satisfy the needs of two thirds of the human race.

The International Strategy for the Second Development Decade, approved by the United Nations General Assembly last October, is a stride in the right direction. All Members of the United Nations have reaffirmed their collective responsibility in the struggle against under-development, racial discrimination, colonialism and the occupation of territories belonging to any State. Nevertheless, the targets set are conservative - an annual growth rate of 6 per cent for the gross product - and, what is more, the commitments assumed by the developed countries are loosely stated, with no fixed deadline for their fulfilment, and they may therefore prove inoperative.

The international community must face under-development in a new spirit, with a fresh feeling of urgency. It must give priority to the question of economic dependence, which is a perpetual drag on development, and help the poorer countries to free themselves. Its action must be non-discriminatory, within whatever form of government countries may choose, and with due respect for any changes which these Governments sponsor, and the countries' national characteristics and cultural identity. International co-operation must be clear-sighted and energetic and it must help the countries in their efforts to change their obsolete economic, social and political structures. Only thus will co-operation yield positive results. Only thus can we avert the danger that injustice be washed away with blood.

These are the things that the developing countries want from international co-operation:

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- New trade structures which will open world markets to our products;
 - New maritime transport structures, so that our fleets have a real share in world traffic and high freight rates do not make our products uncompetitive.
- At present, 90 per cent of the developing countries' cargo is carried in vessels belonging to the industrialized countries, and the rates are fixed arbitrarily;
- Until barriers to trade are demolished, we demand more external financing on better terms;

- New monetary systems which will prevent the speculation that now imperils world economic stability and disrupts the development of the countries on the periphery.

This demands a bold and effective policy on the part of the international agencies. They must modernize their organization, get rid of bureaucracy, free their operations from red tape, recover the sense of mission to which they owe their existence. They must be truly universal, admit all countries to membership and allow them to participate on an equal footing in their administration and decisions.

In this context, high praise is due to UNDP, which is the United Nations main instrument for reducing the technological gap, for the role that it has played.

In contemporary society, the scientific revolution is the most formidable instrument of change. Production is becoming more and more dependent on technology, which means research. But the transfer of technology to the poorer countries is a slow and costly process. That is why we have not developed our own technology, a research system of our own or any policy for disseminating new discoveries, and so we fail to modernize our structures of production and they keep us back. For the monopoly of science and technology is an important factor in political, economic and cultural domination. This is something to which UNDP should pay attention.

Modern technology must be used, not to mitigate the disastrous effects of the traditional socio-economic structures, but to step up the rate of social and economic change, a revolutionary prospect that is vital to our development and in which UNDP, by its very nature, must take part.

Chile, in consonance with its national and international policy, has every confidence that these aims will progressively be achieved. We are now following our own road. We are marching towards socialism because it is the will of the majority of the people, in democracy, pluralism and freedom. And at the opening of this meeting of the United Nations Development Programme, we offer it our most enthusiastic and resolute collaboration.

Statement by Mr. Paul G. Hoffman, Administrator
of the United Nations Development Programme

We are greatly honoured by your presence, Mr. President, at this opening ceremony and most appreciative of your deep interest in speeding world development. It is clear that you believe, as I do, that second only to the prevention of a nuclear war is improving the quality of life for hundreds of millions of people in all the countries of the world.

This is an historic occasion for the Governing Council of the United Nations Development Programme. It is the first meeting which has ever been held in a developing country. We are particularly pleased to be in Chile because we have been associated in a small way with the development programme of Chile for many years. Further, the distinguished President of our Council, Mr. Hernán Santa Cruz, is a Chilean, and the distinguished statesman, Mr. Gabriel Valdés, our Assistant Administrator and Director of the Regional Bureau for Latin America, is also a Chilean. We may have some difficulty from now on in convincing the other countries of the world that the United Nations Development Programme is not a Chilean enterprise!

I would like to speak personally for just a moment. The last twelve and a half years of my life have been spent at the United Nations, first as Managing Director of the Special Fund and later as Administrator of the United Nations Development Programme. Those twelve and a half years have been the most fascinating years of my life.

Prior to coming to the United Nations, I had some knowledge of the field work being carried on by United Nations itself through its own technical assistance programme and also the work of the specialized agencies in their various fields of endeavour. It seemed crystal clear that in the field of pre-investment and technical assistance, if the United Nations took full advantage of the rich experience of the agencies with an expanded and co-ordinated programme, it could substantially improve its service to the developing countries. It was this belief that led us to the conclusion that UNDP could best fit into the United Nations system as a planning, funding, and supervising organization; and that to the greatest extent possible its projects should be executed by the specialized agencies. We also concluded that our field office establishment should be expanded to the point where it was world-wide; that only by stationing resident representatives in the countries of their assignment could appropriate regard be given to the traditions, mores and attitudes of the people of these countries. In 1959 there were 28 field offices. Today, there are 94. /...

After a year or so on the job, it also became clear that the underlying reason for poverty and misery in the world was not lack of resources, human or material, but under-utilization of those resources. It is my studied and, if I dare say so, confident judgement that today we are not utilizing, at a maximum, more than 15 per cent of the potential of the human beings in the developing world, and that a maximum figure of utilization of their physical resources is 25 per cent.

We, in UNDP, are under no illusions as to the magnitude of the task of making better use of the human and physical resources of this planet. Its dimensions are staggering - we are talking about more than 2,000 million people. Its complexity is unbelievable. But there are several favourable factors. The will and the determination for progress are present in most developing countries. There is a recognition on the part of the officials and people of these countries that it will take hard work and sacrifice to move forward. Further, the officials of the developing countries realize that each country must assume primary responsibility for its own progress. External assistance has a limited, but vital, role to play. It will help break the vicious cycle due to the fact that poverty breeds poverty, and poverty of opportunity perpetuates it. Poor nations - like poor people - are caught up in the day-to-day fight for survival. Forced to live a hand-to-mouth existence, they cannot put enough aside to invest adequately in their own futures; poor because they can't develop their own resources, and unable to develop their resources because they are poor.

Speaking first of human resources, there are hundreds of millions of potentially competent individuals in the world condemned to poverty because of a lack of education and training. This fact was brought home to me rather vividly by an African Foreign Minister who was a participant in a television programme in Uganda. He said that as a boy he had had three bosom companions who entered school at the same time that he had. He was very abashed and very nervous because, as he said, his three companions were so much smarter than he was. But as it turned out, he was able to finish primary school and secondary school and then go on to a medical education in the United Kingdom. As a consequence, he felt that he had been a useful citizen, but, he said, his three companions who had to drop out during the first year in primary school, have spent the rest of their lives scratching out a living.

The United Nations Development Programme, in a modest way, has tried to assist many people in becoming more productive, by helping to finance more than 700 institutes engaged in educational training, vocational training and research. They have been demonstrating

new techniques, providing advice in agriculture, industry of various types, aeronautics, meteorology, health and seismology. More than 128,000 people improved their technical skills in these institutes in 1970, bringing the over-all total to 565,000 by the end of that year. Some of the effort is directed toward providing skilled manpower for industries, some for training men and women in agriculture, some in public service, some in the teaching profession itself, and some in research in various areas.

Perhaps the most conspicuous example of under-utilization of resources was brought to light by the "green revolution" which was triggered by research activities of the Rockefeller and Ford Foundations. By developing better seed and better control of water, rice, wheat and maize crops have been more than doubled. Some two years ago I attended a seminar at which several of the world's leading agronomists were present. I came away from that seminar totally convinced that we now have the technology to double the world's food supply. The task now is to get that technology implemented.

When it comes to the under-utilization of physical resources, may I offer some further illustrations:

The United Nations Development Programme has helped finance investigations carried out by the United Nations itself which have uncovered no less than \$10,000 million worth of minerals in various parts of the world. In Chile, it has assisted in strengthening the national forestry service, in financing detailed mineral investigations, the establishment of an in-plant training scheme, in a feasibility study of water resources in Norte Grande, and in off-shore exploration of petroleum.

The Programme has also played an active role in bringing spectacular advances in science and technology into the development process. There is a quiet revolution going on on many fronts. All 14 of the specialized agencies of the United Nations are employed in pioneering activities in education, health, industry, sanitation, vocational training, communications, the peaceful use of atomic energy, forestry, fisheries and the imaginative World Weather Watch. And the International Bank for Reconstruction and Development, the Inter-American Development Bank and the regional banks are similarly engaged in innovative development investment financing.

Among the 312 research activities which UNDP is helping to finance, one is of particular interest to me. It is being carried on by the International Maize and Wheat Improvement Centre (CIMMYT) in Mexico, and has as its purpose putting increased quantities of protein in maize. Up to now, increased protein content

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has usually led to a softer kernel and, consequently, insect invasion. The problem is to get the higher protein content in a kernel with a harder shell. Fortunately, Mr. Norman Borlaug, a recent winner of the Nobel Peace Prize, is in charge of this research institute, which gives us much hope that the project will produce spectacular results. If successful, it means that tens of thousands of children between two and five years of age now facing stunted lives mentally and physically because of a lack of protein will have the opportunity for normal growth.

Now as to the future. The 1970s hold real promise of lives of decency and dignity for hundreds of millions of additional people. If progress towards peace is achieved, if the necessary financial support for development is available, if the gross national product of the developing countries can be setpped up from its present 5 per cent to 6 1/2-7 per cent, and if that increased income is equitably distributed, we will go into the 1980s with a momentum that would guarantee continued and accelerated progress. As a realistic goal, let us hope that by 1980 we will have a situation where instead of a 15 per cent realization of the potential lying in human resources, there will be a minimal of 20 per cent, and instead of a realization of 25 per cent of the potential lying in physical resources, it will be 35 per cent.

If UNDP is to help in reaching this goal, it must continue its rapid growth. In 1959, its resources were \$54 million, its approved programme with \$56 million of additional resources supplied by the recipient countries themselves, was \$110 million. Last year, its resources were over \$250 million and its programme over \$500 million. By 1975, it should have \$500 million resources which will assure a pre-investment and technical programme of \$1,000 million.

In conclusion, the thought I would like to leave with you is the goal that you and we should strive for and one that we should constantly keep in mind, and that is to give every child born into our world the opportunity to realize on his or her capacities for growth, intellectual and spiritual, and the opportunity to make a decent living.

Statement by Mr. Hernán Santa Cruz, President of
the Governing Council

On behalf of the Governing Council of the United Nations Development Programme, I wish to thank the President of Chile most sincerely for the invitation to hold this session in Santiago, the hospitality offered by his Government and the people of Chile, and particularly the words he has just spoken. His clear and penetrating concepts will be valuable background material and a source of inspiration for our work, and will provide the Council with a more realistic approach to the topics which we are to discuss.

I also wish to express appreciation of the presence here of the President of the Senate and the Acting President of the Chamber of Deputies, and of their generosity in making available for this ceremony the Salón de Honor del Congreso Nacional, which is one of the parliaments with the longest record of continuity in the world.

Chile's voice has just been heard from the lips of its highest authority. I think it is fitting that the voice of the Council should this time be expressed by a representative of one of the guest countries, which will enhance the international character of our organization. I have therefore requested my distinguished colleague Mr. Siméon Aké, Vice-President of the Governing Council and Permanent Representative of the Ivory Coast to the United Nations, to represent the Council. I am confident that he will do so with the distinction and eloquence that befits his prestige and personality.

Statement by H.E. Mr. Siméon Aké (Ivory Coast), Second Vice-President
of the Governing Council

I feel that it is a privilege and a mark of high esteem that I should have been chosen by the members of the Governing Council to reply to the address of His Excellency the President of the Republic of Chile at the ceremonial opening of the twelfth session.

Appreciating as I do the very great honour that has been done through me to my country, the Ivory Coast and all Africa, now that I have to take the floor before Chile's Chief of State, its diplomatic corps and its highest authorities, it is difficult for me to control my feelings and keep calm enough to carry out the task that my colleagues have entrusted to me.

Mr. President, on behalf of the members of the Governing Council of the United Nations Development Programme, I have the greatest pleasure in thanking you from the heart for the kind invitation you extended to the Governing Council to hold its twelfth session in the beautiful city of Santiago. We are deeply aware of the honour you have done us in finding the time, despite your many and onerous duties, to preside over the opening meeting of this session.

Your presence, the solemnity of these proceedings, the importance of the statement that you have just made, and the fact that we are meeting in Chile, which belongs to the third world, make this a meeting without parallel in the short history of the United Nations Development Programme.

We feel that this is signal proof of the confidence that you and your Government have in the United Nations Development Programme and in international co-operation as a means of promoting, stimulating and accelerating the economic, social and cultural development of the developing countries, where, sad to say, poverty, ignorance, hunger and disease are still the lot of the great bulk of the population.

As the representative of an African country, I inevitably share your feelings about the problems of under-development to which Chile and the Ivory Coast, Africa and all developing countries, are trying to find satisfactory solutions, each in its own way.

Our efforts to ensure the social well-being and the happiness of our people and raise their level of living are prompted by our legitimate desire to achieve economic and social equality with the more advanced countries. We realize one essential thing: in achieving this objective we shall have to rely primarily on ourselves, on our own efforts and on our solidarity when defending our interests.

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Despite the efforts that we are making with the limited means at our disposal and with some outside help to ensure the harmonious development of our countries, there is no denying that the gulf between us and the richer countries is not shrinking, but steadily widening. We only need point to the deterioration in the terms of trade, which means that while we are selling the raw materials of which we are the principal producers more and more cheaply, we are having to buy our imports at ever-increasing prices.

The deterioration in the terms of trade and the unstable prices of our raw materials are responsible for the paradoxical situation in which the poor become poorer and the rich ever richer. We hope that a just solution will be found on the occasion of the third United Nations Conference on Trade and Development which will be held in this city.

Speaking on behalf of the Governing Council of the United Nations Development Programme, I cannot but admit that this situation is also a source of the gravest concern in the international community which, on the threshold of the Second Development Decade, has become aware of the need for concerted action for the social advancement of all nations through international co-operation.

The United Nations has not turned a blind eye to the difficulties of the developing countries and to the trust they have placed in it.

In addition to mobilizing world opinion and promoting a general awareness of the problems of economic development, the Organization has created a number of instruments, among which the United Nations Development Programme is the essential co-ordinating agent.

The United Nations Development Programme was created to rationalize the activities of the United Nations in this field, simplify administrative procedures, plan and co-ordinate the various types of United Nations assistance for economic and social development, and thereby increase their efficiency.

This desire for greater efficiency has encouraged the Governing Council, in the light of the Study of the Capacity of the United Nations Development System, to evolve a new plan of action based on a few major guidelines: recognition of the primary responsibility of the Governments of recipient countries for formulating their own plans or determine their national development priorities, administrative decentralization and country programming of assistance with a view to a more rational utilization of UNDP resources in conjunction with other sources of assistance.

The experience of my country, which has been trying to incorporate in its own development plan bilateral and multilateral technical and pre-investment assistance, makes me optimistic about the new country programming procedure which UNDP intends to implement over the coming years. /...

Moreover, in most developing countries the capacity to absorb assistance has improved considerably during the last decade. To take only the case of Africa, it is clear that this absorptive capacity has grown with development planning and the establishment of structures which promote development.

The various measures that have been taken and the reforms now under way will make for more effective action by the United Nations in its development assistance to the developing countries. It is an encouraging thought that this reform is a combined achievement of developed and developing countries. It reflects the determination of the international community to work together to eliminate the remaining obstacles to the building of a world of peace, progress, justice and social equality.

This reform was prompted by the wish of the members of the Council to provide UNDP with structures that would enable it to carry out bigger programmes, in the hope that the international community would provide more resources for it.

It is obvious that UNDP will not be able to attain its objectives or make its programmes practical and effective unless the Governments associated with it are determined to increase their financial contributions substantially.

The imperative nature of the need for increased resources is evidenced by the fact that, unless it comes about in the near future, programmes which have been approved and whose continuance is vital for the sectors for which they were designed may be seriously affected by the lack of adequate resources. The danger is, then, that our hopes for the present reforms may be disappointed.

We therefore take this opportunity to associate ourselves with the appeal made to the richer countries, in particular, by the Secretary-General of the United Nations and the Administrator of the Programme, to increase the resources of UNDP and enable it to fulfil the hopes of the developing countries.

We have no doubt that it is within these countries' power to do so; that is why we have every reason to believe that the goal fixed for 1975 will be attained, particularly as this goal is relatively modest compared with the present and foreseeable needs of the developing countries.

We are grateful to all those who, at all levels, are working day by day, to further the development of the third world; in particular, we wish to pay a special tribute to Mr. Paul Hoffman, the Administrator of UNDP, without whose persistence, courage, faith and enthusiasm, UNDP could not have grown to its present dimensions.

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It will fall to the President of the Governing Council to express, on behalf of all the members of the Council, our appreciation of his work.

At the conclusion of this short statement, we should like simply to offer him our heartfelt admiration and gratitude for having defended the cause of the developing countries so tenaciously and for having worked so altruistically to relieve the misery and poverty that exist in so many regions of the world.

ANNEX III

LIST OF UNDP (SPECIAL FUND) PROJECTS APPROVED BY THE GOVERNING COUNCIL AT ITS TWELFTH SESSION

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II)		(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
				Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost		
(United States dollars)							
1	Algeria	Marketing Training and Market Surveys (ALG 32)	UNCTAD	1 120 000	732 900	1 852 900	72 700
2	Argentina	Supplementary assistance in Sheep Husbandry Research in Patagonia (ARG 14)	FAO	180 000	215 500 ^{a/}	395 500	21 100
3	Argentina	National Centre for Non-destructive Testing and Quality Control, Buenos Aires (ARG 37)	IAEA	1 127 000	611 500	1 738 500	34 600
4	Brazil	Development of Research and Environmental Pollution Control Programmes for the State of Sao Paulo (BRA 47)	WHO	5 601 000	897 900	6 498 900	56 900
5	Brazil	Agricultural Planning and Training (BRA 53)	FAO	433 000	249 800	682 800	28 100
6	Ceylon	Supplementary Assistance to the Institute of Surveying and Mapping, Diyatalawa (CEY 11)	United Nations	44 000	127 100 ^{b/}	171 100	4 200
7	Ceylon	Pilot Demonstration and Training Plant for Block Rubber Based on Smallholders' Latex, Manawella (CEY 26)	FAO	428 000	449 000	877 000	18 900
8	Chile	Supplementary Assistance to the Training and Research Institute in Agrarian Reform (CHI 36)	FAO	708 000	401 300 ^{c/}	1 109 300	32 900
9	Chile	Mineral and Metallurgical Research Centre (CHI 42)	UNIDO	1 305 000	759 600	2 064 600	47 900
10	Chile	National Nuclear Energy Centre, Santiago (CHI 45)	IAEA	1 675 000	777 100	2 452 100	38 700
11	Colombia	Study of Urban Transport and Development of the City of Bogota (COL 51)	IBRD	381 000	1 055 000	1 436 000	80 000

^{a/} An allocation of \$995,100 for this project was originally approved by the Special Fund's Governing Council at its thirteenth session in January 1965. See document SF/R.10/Add.3.

^{b/} An allocation of \$616,800 for this project was originally approved by the Governing Council at its second session in June 1966. See document DP/SF/R.2/Add.8.

^{c/} An initial earmarking of \$723,100 for this project was originally approved by the Special Fund's Governing Council at its tenth session in June 1963, and an earmarking for a Phase II stage approved by the Governing Council at its fifth session in January 1968. See documents SF/R.7/Add.8 and DP/SF/R.5/Add.21.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
(United States dollars)							
12	Congo (Democratic Republic of)	Regional Institute of Vocational Training, Lubumbashi (OOK 40)	ILO	1 495 000	998 300	493 300	101 800
13	Cyprus	Feasibility Studies for Irrigation Development in the Morphou-Tylliria Area (CYP 13)	FAO	785 000	624 800 ^{e/}	1 409 800	65 300
14	Cyprus	Vocational Training and Management Development (Phase II) (CYP 14)	ILO	1 527 000	600 600	2 127 600	65 100
15	Dominican Republic	Supplementary Assistance in Animal Production and Veterinary Training, Autonomous University of Santo Domingo (DOM 3)	FAO	320 000	340 200 ^{d/}	660 200	28 500
16	Ecuador	Institute for External Trade and Integration (ECU 31)	UNCTAD	650 000	751 200	1 401 200	69 300
17	Ethiopia	Training of Primary Teacher Educators, Bahr Dar (ETH 27)	UNESCO	2 785 000	1 879 800	4 664 800	198 400
18	Ethiopia	Junior Secondary Teachers Training, Addis Ababa (ETH 35)	UNESCO	1 590 000	885 800	2 475 800	99 700
19	Fiji	Master Plan for Tourism Development and Related Feasibility Studies (FIJ 5)	IBRD	31 000	339 000	370 000	24 500
20	Fiji	Centre for Leather Training, Development and Promotion (FIJ 6)	UNIDO	207 000	461 500	668 500	40 600
21	Ghana	Volta Lake Research (Phase II) (GHA 33)	FAO	1 217 000	1 071 700	2 288 700	98 800
22	Ghana	Secondary School Teacher Training, University College of Cape Coast (Phase II) (GHA 35)	UNESCO	4 219 000	730 800	4 949 800	75 200
23	Haiti	Supplementary Assistance for the Lower Trois-Rivieres Irrigation Programme (HAI 3)	FAO	132 000	374 600 ^{e/}	506 600	f/

d/ An allocation of \$1,277,300 for this project was originally approved by the Special Fund's Governing Council at its thirteenth session in January 1965. See document SF/R.10/Add.11.

e/ An initial earmarking of \$489,800 for this project was approved by the Special Fund's Governing Council at its seventh session in January 1962, and an initial supplementary earmarking of \$680,300 approved by the Governing Council at its fourth session in June 1967. See documents SF/R.4/Add.9 and DP/SF/R.4/Add.14.

f/ The Administrator recommended, as an exceptional measure, that the Government's obligation to make a cash contribution towards local operating costs of this project should be waived.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
				(United States dollars)			
24	Haiti	Engineering and Feasibility Studies of the Port-au-Prince - Les Cayes - Jeremie Road (HAI 12)	IDB	220 000	830 400	1 050 400	g/
25	India	Demonstration Plant for Irradiation Sterilization of Medical Products (IND 105)	IAEA	607 000	630 500	1 237 500	16 500
26	India	Centre for the Development of Educational Mass Media, New Delhi (IND 112)	UNESCO	1 275 000	778 700	2 053 700	62 600
27	India	Assistance to the Survey of India for Pre-Investment Surveying, Mapping and Training (Phase II) (IND 123)	United Nations	2 297 000	638 300	2 935 300	40 600
28	Iraq	Fruit and Vegetable Improvement (Phase II) (IRQ 41)	FAO	1 992 000	1 019 600	3 011 600	91 900
29	Ivory Coast	Programme of Educational Television (Phase II) (IVC 31)	UNESCO	1 812 000	1 565 100	3 377 100	151 600
30	Jamaica	Repair and Maintenance Training and Demonstration Unit (JAM 14)	UNIDO	353 000	468 900	821 900	46 600
31	Kenya	Supplementary Assistance to the Range Management Division of the Ministry of Agriculture (KEN 11)	FAO	129 000	859 400 ^{h/}	988 400	93 000
32	Lebanon	Supplementary Assistance to the Near East Animal Health Institute's Co-ordinating Unit, Beirut (Scientific Instrument Repair and Maintenance) (LEB 14)	FAO	60 000	207 000 ^{i/}	267 000	20 100
33	Liberia	Assistance to the National Housing Authority (LIR 7)	United Nations	1 584 000	821 100	2 405 100	73 700
34	Libya	Faculty of Education of the University of Libya, Tripoli (Phase II) (LIB 15)	UNESCO	9 496 000	1 460 400	10 956 400	164 700

g/ The Administrator recommended, as an exceptional measure, that the Government's obligation to make a cash contribution towards local operating costs of this project should be waived.

h/ An allocation of \$2,056,800 for this project was approved by the Governing Council at its first session in January 1966. See document DP/SF/R.1/Add.37.

i/ An allocation of \$378,800 for this project was approved by the Governing Council at its fourth session in June 1967. See document DP/SF/R.4/Add.24.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost	(IV) Estimated total cost of project	(V)
							Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
(United States dollars)							
35	Madagascar	Water Supply and Sewerage Survey of Tananarive (MAG 25)	WHO	200 000	842 100	1 042 100	50 000
36	Mali	Rice Seed Multiplication Centre (MLI 18)	FAO	79 000	595 600	674 600	1/
37	Mauritania	Agricultural Training and Extension Centre, Kaedi (Phase II) (MAU 9)	FAO	1 123 000	1 143 300	2 266 300	1/
38	Mauritius	Supplementary Assistance to the National System of Vocational and Technical Education (MAR 3)	ILO	67 000	190 400 ^{k/}	257 400	21 000
39	Mongolia	Experimental and Demonstration Plant for Processing Goat and Camel Hair in Ulan Bator (MON 8)	UNIDO	1 750 000	1 008 200	2 758 200	52 600
40	Morocco	Marine Fisheries Development, Casablanca (MOR 31)	FAO	915 000	1 060 800	1 975 800	98 300
41	Morocco	Hydro-Agricultural Development of the Souss Valley (Phase II) (MOR 41)	FAO	979 000	769 700	1 748 700	65 000
42	Nigeria	Supplementary Assistance to the Secondary School Teacher Training College (Adeyemi College of Education) (NIR 7)	UNESCO	295 000	263 200 ^{l/}	558 200	26 700
43	Pakistan	Supplementary Assistance to the Survey for the Development of Fisheries in East Pakistan (PAK 22)	FAO	1/	258 900 ^{l/}	258 900	1/
44	Pakistan	Strengthening the Planning Department of East Pakistan (PAK 63)	United Nations	887 000	1 845 200	2 732 200	1/
45	Pakistan	Agriculture and Water Development, East Pakistan (PAK 65)	IBRD	3 569 000	2 528 000	6 097 000	1/

1/ The Administrator recommended as an exceptional measure, that the Government's obligation to make a cash contribution towards local operating costs of this project should be waived.

k/ An allocation of \$992,800 for this project was approved by the Governing Council at its first session in January 1966. See document DP/SF/R.1/Add.41.

l/ An allocation of \$1,170,700 for this project was approved by the Special Fund's Governing Council at its ninth session in January 1963. See document SF/R.6/Add.26.

m/ No additional Government counterpart contribution is required.

n/ An allocation of \$1,535,400 for this project was approved by the Special Fund's Governing Council at its thirteenth session in January 1965. See document SF/R.10/Add.40.

o/ Included in the Government's counterpart contribution.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
(United States dollars)							
46	Paraguay	Expansion and Improvement of the National Meteorological Service (PAR 20)	WMO	152 000	484 500	636 500	23 800
47	People's Democratic Republic of Yemen	Institute of Health Manpower Development, Aden (SOY 4)	WHO	1 956 000	1 280 000	3 236 000	<i>p/</i>
48	People's Democratic Republic of Yemen	Road Planning and Organizational Assistance to the Public Works Department (SOY 13)	IBRD	77 000	682 100	759 100	<i>p/</i>
49	Peru	Supplementary Assistance to the Experimental Housing Project, Lima (PER 32)	United Nations	96 000	337 600 ^{a/}	433 600	<i>p/</i>
50	Philippines	Reorganization of the Bureau of Public Highways and Roads Feasibility Studies (PHI 43)	IBRD	332 000	2 086 000	2 418 000	140 000
51	Republic of Korea	Food Processing Centre, Seoul (KOR 11)	FAO	300 000	449 000	749 000	48 800
52	Republic of Korea	Supplementary Assistance to the Upland Development and Watershed Management Project (KOR 22)	FAO	4 860 000	1 051 400 ^{e/}	5 911 400	77 900
53	Romania	Development of Tourism (ROM 6)	ILO	4 045 000	1 243 800	5 288 800	130 000
54	Senegal	Supplementary Assistance for the Institute of Food Technology, Dakar (SEN 5)	FAO	722 000	892 900 ^{t/}	1 614 900	93 600
55	Senegal	Bureau of Organization and Methods (Phase II) (SEN 24)	United Nations	1 931 000	1 538 000	3 469 000	161 300
56	Sierra Leone	Highway Organization and Maintenance and Highway Feasibility Studies (SIL 13)	IBRD	122 000	1 325 000	1 447 000	93 800

- p/* The Administrator recommended, as an exceptional measure, that the Government's obligation to make cash contributions toward local operating costs of these projects should be waived.
- g/* An allocation of \$1,065,500 for this project was approved by the Governing Council at its fourth session in June 1967. See document DP/SF/R.4/Add.38.
- e/* The Administrator recommended, as an exceptional measure, that the Government's obligation to make a cash contribution towards local operating costs of this project should be waived.
- a/* An allocation of \$906,200 for this project was approved by the Governing Council at its fourth session in June 1967. See document DP/SF/R.4/Add.41.
- t/* An allocation of \$978,800 for this project was approved by the Special Fund's Governing Council at its twelfth session in June 1964. See document SF/R.9/Add.32.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost	(IV) Estimated total cost of project	(V)
							Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
(United States dollars)							
57	Somalia	Supplementary Assistance to Fishery Survey (SOM 13)	FAO	10 000	163 300 ^{w/}	173 300	18 800
58		(No document will be issued under this symbol)					
59	Tunisia	Co-operative Agricultural Development in Central and Southern Tunisia (TUN 25)	FAO	1 006 000	1 432 000	2 438 000	147 000
60	Turkey	Supplementary Assistance for Research and Training Centres for the Production, Processing and Marketing of Fruits and Vegetables (TUR 13)	FAO	1 251 000	913 500 ^{v/}	2 164 500	76 300
61	Turkey	Industrial Forestry Plantations (TUR 21)	FAO	1 166 000	946 500	2 112 500	57 300
62	Turkey	National Industrial Training Scheme (TUR 36)	ILO	3 005 000	537 300	3 542 300	52 100
63	United Republic of Tanzania	Supplementary Assistance to the Faculty of Science of the University of Dar es Salaam for the Training of Secondary School Science Teachers (TAN 9)	UNESCO	683 000	218 600 ^{w/}	901 600	22 000
64	Yemen	Supplementary Assistance for the Survey of the Agricultural Potential of the Wadi Zabid (YEM 1)	FAO	407 000	284 300 ^{z/}	691 300	- ^{v/}
65	Yemen	Lowlands Farm Development (YEM 11)	FAO	91 000	500 800	591 800	- ^{v/}
66	Yemen	Farm Development of the Midlands (YEM 12)	FAO	221 000	679 100	900 100	- ^{v/}
67	Yugoslavia	Development of an Agricultural Food Complex in the Bosanska-Krajina Region (YUG 14)	FAO	1 145 000	729 800	1 874 800	41 200

^{w/} An allocation of \$576,900 for this project was approved by the Governing Council at its fourth session in June 1967. See document DP/SF/R.4/Add.45.

^{v/} An allocation of \$1,868,700 for this project was approved by the Special Fund's Governing Council at its thirteenth session in January 1965. See document SF/R.10/Add.55.

^{w/} An allocation of \$978,600 for this project was approved by the Special Fund's Governing Council at its thirteenth session in January 1965. See document SF/R.10/Add.62.

^{z/} An allocation of \$914,300 for this project was approved by the Governing Council at its third session in January 1967. See document DP/SF/R.3/Add.60.

^{v/} The Administrator recommended, as an exceptional measure, that the Government's obligation to make cash contributions towards local operating costs of these projects should be waived.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost	(IV) Estimated total cost of project	(V)
							Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
							(United States dollars)
68	Zambia	Training of Railway Personnel (ZAM 15)	ILO	4 473 000	1 480 400	5 953 400	143 300
69	Regional ^{a/}	Supplementary Assistance to the Hydrometeorological Survey of the Catchments of Lakes Victoria, Kioga and Albert (REG 25)	WMO	190 000	229 000 ^{aa/}	419 000	9 000
70	Regional ^{bb/}	Supplementary Assistance for the Pre-Investment Survey of the African Telecommunication Network, East Africa Sector (REG 116)	ITU	23 000	293 200 ^{cc/}	316 200	9 000
71	Regional ^{dd/}	Junior Secondary Teacher Training Curriculum Development (REG 142)	UNESCO	3 600 000	1 824 200	5 424 200	199 800
72	Regional ^{ee/}	African Training and Research Centre in Administration for Development, Tangiers (REG 153)	United Nations	658 000	1 601 400	2 259 400	144 000
73	Regional ^{ff/}	Asian Centre for Development Administration (REG 214)	United Nations	478 000	1 391 400	1 869 400	121 700
74	Regional ^{gg/}	Investment Strategy and Planning Methodology for Irrigated Agriculture in Latin America (REG 218)	IDB	298 000	875 000	1 173 000	55 900

^{a/} Participants: Burundi, Kenya, Rwanda, Sudan, Uganda, United Republic of Tanzania, United Arab Republic.

^{aa/} An allocation of \$1,937,900 for this project was approved by the Governing Council at its first session in January 1966. See document DP/SF/R.1/Add.81.

^{bb/} Participants: Botswana, Ethiopia, Kenya, Somalia, Sudan, United Republic of Tanzania, Zambia.

^{cc/} An allocation of \$552,300 for this project was approved by the Governing Council at its tenth session in June 1970. See document DP/SF/R.10/Add.56.

^{dd/} Participants: Barbados, Jamaica, Trinidad and Tobago, and the United Kingdom on behalf of British Honduras, British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Turks and Caicos Islands.

^{ee/} Participants: Algeria, Cameroon, Central African Republic, Ghana, Ivory Coast, Libyan Arab Republic, Mauritania, Morocco, Senegal, Somalia, Sudan, Togo, Tunisia, United Arab Republic, Zambia.

^{ff/} Participants: Afghanistan, Brunei, Ceylon, China, India, Indonesia, Iran, Republic of Korea, Laos, Malaysia, Nepal, Pakistan, the Philippines, Singapore, Thailand.

^{gg/} Participants: Argentina, Brazil, Chile, El Salvador, Peru.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II)	(III)	(IV)	(V)
				Estimate of Government participation (counterpart contribution)	Estimated UNDP cost	Estimated total cost of project	Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
75	Regional ^{hh/}	West African Rice Development (REG 220)	FAO	700 000	980 000	1 680 000	80 700
76	S Regional ^{ii/}	Pan African Telecommunication Survey (West and Central Africa Sectors) (REG 231)	ITU	151 000	1 380 500	1 531 500	117 000
77	Regional ^{jj/}	Assistance in Physical Planning (REG 238)	United Nations	267 000	573 500	840 500	62 400
78	Regional ^{kk/}	Technical Studies of the Trans- Saharan Road (REG 251)	United Nations	440 000	2 223 000	2 663 000	111 000
79	Regional ^{ll/}	Institutional Support to the Lake Chad Basin Commission (REG 252)	UNDP	250 000	297 200	547 200	^{mm/}
80	Regional ^{nn/}	Institutional Support to the Organisation des Etats Riverains du Senegal (REG 257)	UNDP	300 000	339 000	639 000	^{oo/}
81	Interregional ^{pp/}	Repair and Maintenance of Rail and Road Transport Equipment (INT 15)	UNIDO	111 000	191 800	302 800	^{qq/}

(United States dollars)

^{hh/} Participants: Gambia, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Upper Volta.

^{ii/} Participants: Cameroon, Central African Republic, Chad, Dahomey, Gambia, Ghana, Guinea, Equatorial Guinea, Ivory Coast, Liberia, Mali, Mauritania, Niger, People's Republic of Congo, Rwanda, Senegal, Sierra Leone, Togo and Upper Volta.

^{jj/} Participant: The United Kingdom on behalf of the British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts-Nevis-Anguilla, St. Lucia, St. Vincent, Turks and Caicos Islands.

^{kk/} Participants: Algeria, Mali, Niger, Tunisia.

^{ll/} Participants: Cameroon, Chad, Niger, Nigeria.

^{mm/} The Administrator recommended, as an exceptional measure, that the Governments' obligation to make a cash contribution towards local operating costs for this project should be waived.

^{nn/} Participants: Guinea, Mali, Mauritania, Senegal.

^{oo/} The Administrator recommended, as an exceptional measure, that the Governments' obligation to make a cash contribution towards local operating costs for this project should be waived.

^{pp/} Participants: Ghana, India, Indonesia, Iran, Lebanon, Sudan.

^{qq/} In view of the utilisation of international expert services entirely outside of the participant countries, the Governments' obligation to make a cash contribution towards local operating costs is not deemed applicable.

DP/SF/R.12/ Add.	Country	Project title	(I) Participating and Executing Agency	(II)		(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Estimated UNDP cost (Col.III)
				Estimate of Government participation (counterpart contribution)	(III) Estimated UNDP cost		
(United States dollars)							
82	Interregional ^{rr/}	Supplementary Assistance for Higher Level Management, Technical and Productivity Training (INT 18)	ILO	240 000	1 201 800 ^{ss/}	1 441 800	<u>tt/</u>
83	Interregional ^{uu/}	In-Plant Group Training Programme in the Field of Diesel Engineering, CSSR (INT 22)	UNIDO	208 000	251 600	459 600	<u>tt/</u>
84	Interregional ^{vv/}	Training and Advisory Services on Generalized System of Preferences (INT 27)	UNCTAD	130 000	1 114 900	1 244 900	<u>ww/</u>
85	Mongolia	Brucella Vaccine Production, Songino (MON 11)	WHO	828 000	648 500	1 476 500	52 500
86	Panama	Training and Advisory Services for Rural and Community Development and Land Reform (PAN 21)	United Nations	789 000	799 200	1 588 200	89 400
87	Romania	Assistance in Water and Air Pollution Control (Phase II) (ROM 12)	WHO	4 830 000	981 100	5 811 100	58 600
88	Interregional ^{xx/}	Training and Export Promotion (INT 26)	UNCTAD	72 000	897 500	969 500	<u>yy/</u>
TOTAL				<u>100 263 000</u>	<u>72 449 500</u>	<u>72 712 500</u>	<u>4 816 300</u>

^{rr/} Participants: Brazil, Chile, Colombia, Ecuador, Ethiopia, Kenya, Peru, Sudan, Uganda, United Republic of Tanzania, Venezuela.

^{ss/} An allocation of \$1,192,500 for this project was approved by the Governing Council at its tenth session in June 1970. See document DP/SF/R.10/Add.59.

^{tt/} In view of the utilization of international expert services entirely outside of the participant countries, the Governments' obligation to make a cash contribution towards local operating costs is not deemed applicable.

^{uu/} Participants: Afghanistan, Argentina, Bolivia, Colombia, Costa Rica, Czechoslovakia, Ecuador, Ghana, Honduras, Lebanon, Mexico, Panama, Syrian Arab Republic, Thailand, United Arab Republic, Yugoslavia.

^{vv/} Participants: Barbados, Bolivia, Brazil, Burundi, Ceylon, Chile, China, Colombia, Congo (Democratic Republic of), Cyprus, Dominican Republic, Ecuador, Gabon, Ghana, Greece, India, Ivory Coast, Kenya, Lebanon, Liberia, Malta, Mauritius, Morocco, Nepal, Niger, Pakistan, People's Republic of the Congo, Peru, the Philippines, Republic of Korea, Saudi Arabia, Sierra Leone, Somalia, Swaziland, Thailand, Togo, Tunisia, Turkey, Uganda, United Arab Republic, United Republic of Tanzania, Upper Volta, Uruguay.

^{ww/} In view of the nature of the project, no payment towards local operating costs will be made.

^{xx/} Participants: Chile, Costa Rica, Dominican Republic, El Salvador, Greece, Guatemala, India, Kenya, Lebanon, Liberia, Malawi, Malaysia, Malta, Mauritius, Nicaragua, Nigeria, Peru, Philippines, Republic of Korea, Singapore, Somalia, Sudan, Swaziland, Thailand, Togo, Tunisia, Uganda, United Republic of Tanzania, Uruguay, Zambia.

^{yy/} The project will serve to finance training, most of which will be outside the participating countries; therefore, no Governments' contribution towards local operating costs is deemed applicable.

ANNEX IV

DRAFT DECISION SUBMITTED BY CUBA AND AMENDMENTS SUBMITTED BY THE
CENTRAL AFRICAN REPUBLIC ON THE REVIEW OF CRITERIA TO BE FOLLOWED
IN CALCULATING INDICATIVE PLANNING FIGURES

A. Draft decision submitted by Cuba

The Governing Council,

Considering paragraph 15 of the Consensus annexed to General Assembly resolution 2688 (XXV), which refers, inter alia, to the criteria and guidelines for the Administrator to be established from time to time by the Governing Council,

Recalling that at the eleventh session attention was called to the need for a revision of these criteria,

Aware that factors of many different kinds must be taken into account in establishing the indicative planning figures and that therefore no simple rule can be laid down for arriving at these figures,

Requests the Administrator, when he is calculating the revised figures for submission to the thirteenth session, to bear in mind the criteria set out below, in addition to any comments which Governments may have made in regard to the figures in accordance with paragraph 15 of the Consensus and the experience he will have acquired by that time:

(a) The magnitude of the development effort the Government is making with the voluntary and responsible co-operation of the broad masses of the people;

(b) The extent to which the country has made whatever structural changes are required to initiate the development process, such as land reform, income redistribution, expansion of basic social services;

(c) The need to correct the outstanding inequalities of the past which restricted the amount of aid granted to certain countries under the previous system;

(d) The extent to which the resources earmarked for the country have been used;

(e) The special treatment that should be given to the relatively less developed countries;

(f) The size of the country's population, gross national product and per capita income;

/...

(g) The extent to which the country is participating in inter-country projects;

(h) Special transient factors, whatever their nature, which may temporarily affect the developing countries' ability to make development efforts.

B. Amendments proposed by the Central African Republic to the draft decision proposed by Cuba

(b) The special situation of the land-locked countries;

(c) The extent to which certain countries, in particular those which have recently acceded to independence, are devoting all their efforts to the structural changes which are required in order to embark on the development process, such as land reform, income redistribution, the development of basic social and administrative services, and other primary infrastructures.

ANNEX V

DRAFT RESOLUTION SUBMITTED BY INDONESIA AND THE PHILIPPINES FOR
INCREASED PARTICIPATION OF MEMBER STATES IN THE GOVERNING
COUNCIL OF THE UNITED NATIONS DEVELOPMENT PROGRAMME

The Governing Council

Taking into account the observations during its discussions,

Approves the following draft resolution which it recommends for adoption by the Economic and Social Council, if possible at its fifty-first session:

"The Economic and Social Council,

"Having considered the report of the Governing Council of the United Nations Development Programme on its twelfth session, particularly on the question of the increased participation of member States in the Governing Council,

"Recommends the adoption by the General Assembly, if possible at its twenty-sixth session, of the following draft resolution:

'The General Assembly,

'Bearing in mind its resolution 2626 (XXV) on the International Development Strategy for the Second United Nations Development Decade,

'Realizing the important role that the United Nations Development Programme has to play in the achievement of the goals, objectives and policy measures of the International Development Strategy,

'Recalling its resolution 2688 (XXV) on the capacity of the United Nations development system,

'Recalling further its resolution 2029 (XX) consolidating the Special Fund and the Expanded Programme of Technical Assistance to become the United Nations Development Programme, particularly the annex thereto concerning the composition of the Governing Council of the United Nations Development Programme which was to consist of thirty-seven members,

'Convinced that a strengthened and expanded United Nations Development Programme and the prospect of its handling by 1975 resources double that of present resources necessitate the increased participation of member States in the work of the Governing Council,

'Convinced further that a larger membership of the Governing Council would make it more representative of both developed and developing countries,

'Aware that since the United Nations Development Programme was established in 1965, a number of new Member countries have been admitted into the United Nations,

/...

'1. Decides to increase the number of members of the Governing Council of the United Nations Development Programme to forty-five members, subject to the following conditions:

'(a) Twenty-five seats shall be filled by developing countries allocated as follows: 9 seats for African countries, 8 seats for Asian countries and Yugoslavia and 8 seats for Latin American countries;

'(b) Twenty seats shall be filled by economically more advanced countries allocated as follows: 16 seats for Western European and other countries, and 4 seats for Eastern European countries;

'(c) Elections to these forty-five seats shall be for a term of three years except as herein provided. The terms of the thirty-seven members of the Governing Council as of the time of the adoption of this resolution shall not be affected by this resolution. Of the eight additional members elected at the first election following the adoption of this resolution, the terms of two members shall expire at the end of one year, the terms of three other members at the end of two years, and the terms of the three remaining members at the end of three years. The terms to be served by these eight members shall be determined by drawing lots at the time of their election;

'(d) Retiring members shall be eligible for re-election;

'2. Requests the Economic and Social Council to elect the members of the Governing Council from among States Members of the United Nations or members of the specialized agencies or of the International Atomic Energy Agency, providing for equitable and balanced representation of the economically advanced countries, on the one hand, having due regard to their financial contribution to the United Nations Development Programme, and of the developing countries, on the other hand, taking into account the need for suitable regional representation for the latter members.'

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