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(16 June-2 July 1969)

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OFFICIAL RECORDS: FORTY-SEVENTH SESSION

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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

UNDP, the Programme	United Nations Development Programme
ADB	African Development Bank
ECPC	Enlarged Committee for Programme and Co-ordination
EPTA	Expanded Programme of Technical Assistance
FAO	Food and Agriculture Organization of the United Nations
FUNDWI	Fund of the United Nations for the Development of West Irian
GATT	General Agreement on Tariffs and Trade
IACE	Inter-Agency Consultative Board
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
IDB	Inter-American Development Bank
ILO	International Labour Organisation
ITU	International Telecommunication Union
OPEX	Programme for the provision of operational, executive and administrative personnel
SIS	Special Industrial Services
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UPU	Universal Postal Union
WHO	World Health Organization
WMO	World Meteorological Organization

INTRODUCTION

1. The Governing Council held its eighth session at the headquarters of the World Health Organization, in Geneva, Switzerland, from 16 June to 2 July 1969.
2. The present report was adopted by the Governing Council at its 172nd meeting, on 2 July 1969, for submission to the Economic and Social Council at its forty-seventh session, in accordance with paragraph 4 of General Assembly resolution 2029 (XX).

Tribute to the Deputy Administrator of UNDP

3. The Administrator, the members of the Governing Council and a representative of the United Nations and the specialized agencies paid tribute, notably at the 169th meeting, to Mr. David Owen, Deputy Administrator, on his retirement from UNDP, after serving in the United Nations system since 1945.

CHAPTER I
ORGANIZATION OF THE SESSION

Attendance

4. The duly accredited representatives to the eighth session are listed in annex I to this report.

Agenda

5. The agenda adopted for the eighth session was the following:

1. Opening of the session.
2. Adoption of the agenda (DP/L.102/Rev.1 and DP/L.102/Rev.1/Add.1).
3. UNDP (Special Fund) programme recommendations of the Administrator:
 - (a) Consideration of individual projects of the UNDP (SF) programme in private meetings;
 - (b) Approval of UNDP (SF) programme recommendations:

(DP/SF/R.8, DP/SF/R.8/Add.1, Add.2/Rev.1, Add.3, Add.4/Rev.1, Add.5, Add.6/Rev.1 and Add.6/Corr.1, Add.7, Add.8/Rev.1, Add.9, Add.10/Rev.1, Add.11-14, Add.15 and Corr.1, Add.16, Add.17/Rev.1, Add.18/Rev.1, Add.19, Add.20/Rev.1, Add.21-24, Add.25/Rev.1, Add.26-33, Add.34 and Corr.1, Add.35-37, Add.38/Rev.1, Add.39-51, Add.52/Rev.1, Add.53/Rev.1 and Corr.1, Add.54 and Corr.1, Add.55/Rev.1, Add.56-58);
 - (c) Proposals for preliminary operations (DP/L.103 and Corr.1).
4. UNDP (Technical Assistance) programme:
 - (a) Procedures for implementation of new arrangements for regional and inter-regional projects (DP/TA/L.23);
 - (b) Approval of regional and inter-regional project recommendations of the Administrator (DP/TA/L.22).
5. General debate (Statements by the Administrator and members of the Council on issues before the Council) (DP/L.108):

Report on the activities of the United Nations Development Programme in 1968 (DP/L.104 and Corr.1 and 2, DP/L.104/Annex and Corr.1).

5. General debate (continued)

Supplementary reports:

- (i) Statistical data relating to projects in operation under the Technical Assistance component, 1967-1968 (DP/L.104/Add.1);
- (ii) Financial status of projects under the Special Fund component as of 31 December 1968 (DP/L.104/Add.2 and Corr.1 and DP/L.104/Add.2/Annexes);
- (iii) Status of Special Fund projects completed in 1968 and follow-up developments (DP/L.104/Add.3);
- (iv) Association of assistance from other sources during 1968 (DP/L.104/Add.4/Rev.1 and DP/L.104/Add.4/Corr.1 and 2);
- (v) Sub-contracts awarded and major equipment ordered by Participating and Executing Agencies for projects in the Special Fund component during 1968 (DP/L.104/Add.5 and Corr.1 and 2);
- (vi) Special Industrial Services (DP/L.104/Add.6; ID/B/43/Add.1);
- (vii) Trust Fund administration (DP/L.104/Add.7).

6. Progress report on the Capacity Study.

7. Financial matters:

- (a) Comprehensive statement on the financial position of UNDP (DP/L.105 and DP/L.105/Add.1);
- (b) Proposals concerning the Revolving Fund, including a review of the problem of financing future projects of the Special Industrial Services type (DP/L.107 and Corr.1 and DP/L.107/Add.1);

8. Administrative and budgetary matters:

- (a) General policies in respect of budget estimates for the administrative and programme support services of UNDP for 1970 (DP/L.109);
- (b) Question of the timing of the presentation to the Council of annual budget estimates for the administrative and programme support services of UNDP (DP/L.110 and DP/L.110/Annex).

9. United Nations regular programme of technical co-operation (DP/RP/7 and Corr.1 and DP/RP/7/Add.1-6).

10. United Nations Capital Development Fund (DP/L.111).

11. Information papers on the regular programmes of technical assistance in 1968 of the specialized agencies and the International Atomic Energy Agency (DP/L.106).
12. Date and provisional agenda for the ninth session of the Governing Council.
13. Other matters.
14. Draft report of the Governing Council to the forty-seventh session of the Economic and Social Council.

Summary record of meetings

6. The summary records of the meetings of the eighth session were issued as documents DP/SR.152-172.

Private meetings

7. Three private meetings were held on questions arising in connexion with the UNDP (Special Fund) programme recommendations.

CHAPTER II

PROGRAMME RECOMMENDATIONS OF THE ADMINISTRATOR: UNDP (SPECIAL FUND)

Analysis of requests received between 1 October 1968 and 31 March 1969

8. As reported to the Governing Council of the United Nations Development Programme at its seventh session, up to 30 September 1968, 1,654 requests for project assistance had been submitted to the UNDP (Special Fund) by Governments, calling for an expenditure of approximately \$1,610 million in international resources. ^{1/} Between 1 October 1968 and 31 March 1969, a further 109 requests were received, bringing the total number of requests received to 1,763 and the total amount requested to approximately \$1,697 million.

9. The 109 new requests were in the following fields of activity:

Table 1

Subject area	No. of requests	Amount requested
		<u>US dollars</u>
<u>Surveys</u>		
Mineral and geological	6	3,216,000
Water power, hydraulic and meteorological	2	1,182,000
River basin	1	994,000
Land and water use	9	10,239,000
Transport and communications	6	6,654,000
Manufacturing industries	3	2,131,000
Fisheries	2	1,155,000
Forestry	1	305,000
Other	<u>12</u>	<u>6,500,000</u>
Sub-total	42	32,376,000
<u>Research</u>		
Agricultural, forestry, veterinary and fishery	18	15,542,000
Manufacturing, mining and power	9	8,776,000
Other	<u>3</u>	<u>3,028,000</u>
Sub-total	30	27,346,000
<u>Training</u>		
Agricultural, forestry, veterinary and fishery	5	2,951,000
Industrial	21	16,870,000
Transport and communications	4	3,422,000
Secondary school teacher	1	1,299,000
Public administration and other	<u>4</u>	<u>2,283,000</u>
Sub-total	35	26,825,000
<u>Economic development planning</u>	2	624,000
Total	<u>109</u>	<u>87,171,000</u>

^{1/} See Official Records of the Economic and Social Council, Forty-seventh Session, document E/4609, 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>		
Multi-purpose agriculture ^{a/}	7	7,679,000
Land and water use	8	7,642,000
Plant production and protection	7	4,914,000
Animal production and health	8	5,688,000
Rural institutions and services	3	1,167,000
Forestry	2	3,114,000
Fishing	<u>2</u>	<u>1,155,000</u>
Sub-total	37	31,359,000
<u>Industry</u>		
Industry, general ^{a/}	22	14,376,000
Mining	6	4,062,000
Other individual industries	<u>5</u>	<u>6,212,000</u>
Sub-total	33	24,650,000
<u>Public utilities</u>		
Power	3	1,215,000
Transport	9	9,235,000
Communications	1	841,000
Water supply and sewerage	<u>3</u>	<u>1,437,000</u>
Sub-total	16	12,728,000
<u>Housing, building and physical planning</u>		
physical planning	3	2,364,000
<u>Multi-sector</u>		
General planning ^{b/}	2	624,000
River basin development	1	994,000
Other	<u>1</u>	<u>242,000</u>
Sub-total	4	1,860,000
<u>Health</u>		
Environmental sanitation	1	1,708,000
<u>Education and Science^{b/}</u>		
Secondary	1	1,299,000
Technical	1	94,000
University	2	4,442,000
Other	<u>1</u>	<u>97,000</u>
Sub-total	5	5,932,000
<u>Public administration and other services</u>		
Public administration	1	382,000
Technical services	<u>9</u>	<u>6,188,000</u>
Sub-total	10	6,570,000
Total	109	87,171,000

^{a/} Covers activities in more than one sub-sector.

^{b/} Assistance to a specific sector or sub-sector is classified under the sector or sub-sector 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 1968 to 31 March 1969	Requests previously received	Cumulative total to 31 March 1969
Africa	51	573	624
Asia and the Far East . . .	23	414	437
The Americas	21	412	433
Middle East	8	135	143
Europe	6	115	121
Interregional	-	5	5
Total	109	1,654	1,763

12. Of the 331 requests under consideration (109 new requests mentioned above and 3 resubmitted requests), 52 were recommended for approval by the Governing Council at its eighth session, 26 were withdrawn by the requesting Governments, and in one case the Government concerned was informed that its request was not being kept under review. As of 31 March 1969, therefore, 252 projects were under consideration for possible inclusion in future programmes to be recommended to the Governing Council. In addition, there were some 145 further requests with unofficial status, and some 80 instances of "advance information" concerning possible requests for Special Fund sector assistance which were under consideration.

Programme recommendations

13. The Administrator recommended that the Governing Council approve fifty-two projects and five supplementary earmarkings ^{2/} (see annex II to this report) and authorize earmarking from the UNDP (Special Fund) Account of the amounts indicated for each project. The estimated Governments participation (counterpart contribution), the recommended Governing Council earmarking, the estimated total cost of the project and the estimated local operating costs to be paid by the Government(s) are indicated opposite each project title.

14. This programme totalled \$102,210,900, of which \$36,991,500 represented UNDP (Special Fund) earmarkings and \$65,219,400 contributions by recipient Governments.

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

^{2/} For Ethiopia: Supplementary Assistance in Strengthening the Awash Valley Authority; for Kenya: Supplementary Assistance to the Kenya Polytechnic, Nairobi; for the Malagasy Republic: Supplementary Assistance to the Educational Training and Research Institute; for Nigeria: Supplementary Assistance to the Hides and Skins Demonstration and Training Project; and for Regional (Cameroon, Chad, Niger and Nigeria): Supplementary Assistance to the Study of Water Resources in the Chad Basin.

Table 4

Distribution of projects by principal field of activity

Field of activity	Previous programmes		Present programme		Cumulative	
	Number of projects	Earmarking \$US	Number of projects	Earmarking \$US	Number of projects	Earmarking \$US
Surveys	68	\$ 62,205,553	4	\$ 2,655,700	72	\$ 64,841,253
Mineral and geological	34	31,596,374	1	666,400	35	32,262,774
Water power, hydraulic and meteorological	33	37,708,181	1	396,600 ^{a/}	34	38,104,781
River basin	122	106,921,344	2	2,325,200 ^{b/}	124	109,246,544
Land and water use	51	43,596,774	4	2,641,400	55	46,238,174
Transport and communications	5	5,217,900	1	711,300	6	6,029,200
Manufacturing industries	31	34,197,700	1	1,315,700	32	35,513,400
Fisheries	36	31,330,688	1	364,500	37	31,695,188
Forestry	31	24,090,681	1	207,000	32	24,297,681
Other	411	\$ 376,965,195	16	\$ 11,263,000 ^{a/b/}	427	\$ 388,228,995
Sub-total						
Research	124	\$ 118,374,817	8	\$ 6,336,400 ^{c/}	132	\$ 124,711,217
Agricultural, forestry, veterinary and fishery	60	54,370,169	7	5,947,100	67	60,317,269
Manufacturing, mining and power	24	31,235,129	2	1,388,400	27	32,723,529
Other	218	\$ 204,060,115	18	\$ 13,671,900 ^{c/}	236	\$ 217,752,015
Sub-total						
Training	82	\$ 82,934,906	3	\$ 1,284,300	85	\$ 84,219,206
Agricultural, forestry veterinary and fishery	164	163,524,757	7	3,456,000 ^{d/}	171	166,980,757
Industrial	43	43,933,460	3	1,777,500	46	45,710,960
Transport and communications	38	47,692,100	1	837,900 ^{e/}	39	48,530,000
Secondary school teacher Public administration and other	45	42,271,200	1	238,500	46	42,509,700
Sub-total	372	\$ 380,356,423	15	\$ 7,594,200 ^{d/e/}	387	\$ 387,950,623
Economic Development Planning	24	\$ 42,301,400	3	\$ 4,461,600	27	\$ 46,763,000
TOTAL	1,025	\$ 1,003,703,133	52	\$ 36,991,500 ^{a/b/c/d/e/}	1,077	\$ 1,040,694,633

a/ Includes a supplementary earmarking of \$95,700 for Ethiopia: Assistance in Strengthening the Awash Valley Authority, a project approved at the fourteenth session of the Special Fund's Governing Council in June 1965 (see document SF/R.11/Add.12), and for which an initial supplementary earmarking of \$47,000 was approved at the seventh session of the Governing Council in January 1969 (see document DP/SF/R.7/Add.31).

b/ Includes a supplementary earmarking of \$55,700 for Regional (Cameroon, Chad, Niger and Nigeria): Assistance to the Study of Water Resources in the Chad Basin, a project approved at the fourteenth session of the Special Fund's Governing Council in June 1965. See document SF/R.11/Add.43.

c/ Includes a supplementary earmarking of \$294,500 for Nigeria: Assistance to the Hides and Skins Demonstration and Training Project, approved at the tenth session of the Special Fund's Governing Council in June 1963. See document SF/R.7/Add.25.

d/ Includes a supplementary earmarking of \$919,400 for Kenya: Assistance to the Kenya Polytechnic, Nairobi, a project approved at the eighth session of the Special Fund's Governing Council in May 1962. See document SF/R.5/Add.36.

e/ Includes a supplementary earmarking of \$419,400 for the Malagasy Republic: Education Training and Research Institute, a project approved at the ninth session of the Special Fund's Governing Council in January 1963. See document SF/R.6/Add.22.

Table 5
Distribution of projects by economic sector

Economic sector	Previous programmes		Present programmes		Cumulative	
	No. of projects	Earmarking \$US	No. of projects	Earmarking \$US	No. of projects	Earmarking \$US
<u>Agriculture</u>						
Multi-purpose ^{a/}	84	\$ 93,346,711	3	\$ 1,237,500 ^{b/}	87	\$ 94,584,211
Land and water use	112	99,591,401	4	4,072,600	116	103,464,001
Plant production and protection	38	36,421,600	2	478,600	40	36,900,200
Animal production and health	60	54,766,300	1	892,100	61	55,598,400
Rural institutions and services	22	17,751,675	2	935,300	24	18,686,975
Forestry	55	48,154,101	1	364,500	56	48,518,601
Fishing	29	29,551,900	2	2,518,900	31	32,070,800
Sub-total	400	\$379,383,688	15	\$10,439,500 ^{b/}	415	\$ 389,823,188
<u>Industry</u>						
Industry, general ^{a/}	129	\$117,685,192	8	\$ 4,495,000	137	\$ 122,180,192
Mining	68	60,722,408	3	2,486,800	71	63,209,208
Other individual industries	65	58,840,059	5	4,797,800 ^{c/}	70	63,637,859
Sub-total	262	\$237,247,659	16	\$11,779,600 ^{c/}	278	\$ 249,027,259
<u>Public Utilities</u>						
Power	25	\$ 24,133,374	2	\$ 1,051,800	27	\$ 25,185,174
Transport	72	68,079,850	4	2,381,400	76	70,461,250
Communications	30	27,402,184	3	2,037,900	33	29,439,684
Water supply and sewerage	17	15,257,600	-	-	17	15,257,600
Sub-total	104	\$134,973,008	9	\$ 5,470,700	153	\$ 140,443,708
<u>Housing, Building and Physical Planning</u>						
Housing, Building and Physical Planning	17	\$ 15,896,024	2	\$ 888,000	19	\$ 16,784,024
<u>Multi-Sector</u>						
General planning ^{d/}	14	\$ 26,589,823	2	\$ 4,086,500	16	\$ 30,676,323
River basin development	31	37,704,500	-	55,700 ^{e/}	31	37,760,200
Other	12	11,759,602	2	724,200	14	12,483,802
Sub-total	57	\$ 76,053,925	4	\$ 4,866,400 ^{e/}	61	\$ 80,920,325
<u>Health</u>						
Health	9	\$ 7,494,000	1	\$ 358,300	10	\$ 7,852,300
<u>Education and Science^{d/}</u>						
Primary	2	\$ 2,904,900	-	-	2	\$ 2,904,900
Secondary	36	44,787,200	1	837,900 ^{f/}	37	45,625,100
Technical	26	29,624,700	-	919,400 ^{g/}	26	30,544,100
University	22	28,958,700	3	1,193,200	25	30,191,900
Other	1	1,294,600	-	-	1	1,294,600
Sub-total	87	107,610,100	4	\$ 2,950,500 ^{f/}	91	\$ 110,560,600
<u>Social Welfare, Public Administration and Other Services</u>						
Social Welfare, Public Administration and Other Services	49	\$ 45,044,729	1	\$ 238,500	50	\$ 45,283,229
TOTAL	1,025	\$1,003,703,133	52	\$ 36,891,500 ^{b/}	1,077	\$1,040,694,633

^{a/} ^{b/} ^{c/} ^{d/} ^{e/} ^{f/} ^{g/} For footnotes, see next page.

- a/ Covers activities in more than one sub-sector.
- b/ Includes a supplementary earmarking of \$95,700 for Ethiopia: Assistance in Strengthening the Awash Valley Authority, a project approved at the fourteenth session of the Special Fund's Governing Council in June 1965 (see document SF/R.11/Add.12), and for which an initial supplementary earmarking of \$47,000 was approved at the seventh session of the Governing Council in January 1969 (see document DP/SF/R.7/Add.21).
- c/ Includes a supplementary earmarking of \$294,500 for Nigeria: Assistance to the Hides and Skins Demonstration and Training Project, approved at the tenth session of the Special Fund's Governing Council in June 1963. See document SF/R.7/Add.25.
- d/ Assistance to a specific sector or sub-sector is classified under the sector or sub-sector concerned.
- e/ Includes a supplementary earmarking of \$55,700 for Regional (Cameroon, Chad, Niger and Nigeria): Assistance to the Study of Water Resources in the Chad Basin, a project approved at the fourteenth session of the Special Fund's Governing Council in June 1965. See document SF/R.11/Add.43.
- f/ Includes a supplementary earmarking of \$419,400 for the Malagasy Republics Educational Training and Research Institute, a project approved at the ninth session of the Special Fund's Governing Council in January 1963. See document SF/R.6/Add.22.
- g/ Includes a supplementary earmarking of \$919,400 for Kenya: Assistance to the Kenya Polytechnic, Nairobi, a project approved at the eighth session of the Special Fund's Governing Council in May 1962. See document SF/R.5/Add.36.

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	378	374,510,718	19	12,991,400 ^{a/}	397	387,502,118
Asia and the Far East	258	258,910,312	10	9,362,800	268	268,273,112
The Americas	241	236,566,850	12	7,968,200	253	244,535,050
Europe	69	69,256,742	5	3,698,400	74	72,955,142
Middle East	77	59,853,411	6	2,970,700	83	62,824,111
Interregional	2	4,605,100	-	-	2	4,605,100
TOTAL	1,025	1,003,703,133	52	36,991,500 ^{a/}	1,077	1,040,694,633

a/ Includes supplementary earmarkings as follows: \$95,700 for Ethiopia: Assistance in Strengthening the Awash Valley Authority (see documents SF/R.11/Add.12 and DP/SF/R.7/Add.31); \$919,400 for Kenya: Assistance to the Kenya Polytechnic, Nairobi (see document SF/R.5/Add.36); \$419,400 for Malagasy Republic: Educational Training and Research Institute (see document SF/R.6/Add.22); \$294,500 for Nigeria: Hides and Skins Demonstration and Training project (see document SF/R.7/Add.25); and \$55,700 for Regional (Cameroon, Chad, Niger and Nigeria): Assistance to the Study of Water Resources in the Chad Basin (see document SF/R.11/Add.43).

Features of particular interest in the new programme

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

(a) In view of difficulties involved in the planning of June programmes, caused by the limited resources available during the period preceding the October Pledging Conference, greater emphasis was given in the current programme to projects requiring continued support or relatively short first phases, and operations of an urgent nature. Examples of the latter were a project in Iraq for the rapid training of qualified technicians to operate the new airport in Baghdad and assistance to the Government of Guinea in the reorganization of the Port of Conakry.

(b) Continued support for undertakings involving long-range programmes of activities was illustrated by the post-graduate agricultural and research project in India and the scheme for the development of the northern region in Thailand. In both instances, the programmes, of which these projects represented only an initial phase, had far-reaching financial and administrative implications requiring careful appraisal by the UNDP and would necessitate further major efforts on the part of the participating Governments as well as contributions from other sources. It was pointed out in this regard that greater flexibility in the use of Revolving Fund resources for the provision of preparatory assistance would permit an early

implementation of projects, of limited scope and duration, which would fit such long-term programming exercises.

(c) The categories of activities included in the programme reflected the fact that the present experimental phase of UNDP assistance; which had dealt with most of the problems related to the development field, was now reaching a point of consolidation and new experimental phases could be anticipated with a further growth in UNDP resources.

(d) The increased interest of Governments in developing their industrial manpower was underlined by the fact that over 40 per cent of the training projects in the programme were in this sector, with assistance provided to Kenya, Madagascar, Panama, Peru and Uganda.

(e) Training projects in the field of agriculture and animal husbandry reflected the varied needs of countries and ranged from the training of upper-level cadres in India, through middle-level agricultural cadres in Southern Yemen, to the training of low-level extension agents and model farmers in Chad and the training of co-operative personnel in Botswana.

(f) The continued importance attached to teacher training, particularly in Africa, was demonstrated by projects in the Ivory Coast and Madagascar.

(g) The increasing requirement for assistance in the development of advanced communications and transport systems was illustrated by projects in Thailand and the United Arab Republic, a regional project for feasibility studies for the Asian telecommunication network, as well as the above-mentioned project in Iraq.

(h) Examples of transport studies, involving the surveying of major regional and sub-regional transport and communications systems, were the project in Argentina for the improvement of navigation on the Parana River and the regional scheme in Africa for the realignment of the Congo-Ocean Railway. Other transport projects, including one in Colombia and the Guinea project mentioned above, were designed to survey particular problems which acted as a serious bottle-neck to those countries' over-all development.

(i) Support in the field of human resources development, involving both training activities and complex survey techniques, was illustrated by the project in Senegal. In addition, the first UNDP-supported projects under the Ottawa Plan 3/ in Colombia and Peru and a regional project under the Asian Manpower Plan were expected to commence operations during 1969 under the new Revolving Fund procedures recommended for approval by the Council at its current session (see paras. 236-245).

(j) Within the general area of natural resource development, the survey and use of land, water and mineral resources, hydrological power and river basin development were the subject of projects in Chile, Hungary, Indonesia and Spain, as well as a regional project for the Chad Basin. Continued support for the further exploration of national mineral potential was demonstrated by projects

3/ Ottawa Plan for Human Resources Development, adopted by the Eighth Conference of American States Members of the International Labour Organisation, on 22 September 1966.

in Ecuador and the Ivory Coast, while projects designed to develop fishery, forest, agricultural and animal resources were to be carried out in Algeria, Brazil, Bulgaria, Chile, Ghana, Iraq, Jordan, Turkey and the Caribbean region; the project in Algeria is to be implemented in co-ordination with a major project of the World Food Programme. Particular mention was also made of projects in Ethiopia and El Salvador relating to the development of geothermal energy.

(k) The substantial increase in the number of projects in the general field of industrial development and research was reflected in projects relating to the survey or establishment of manufacturing industries in Greece and Zambia, and to industrial research in Iran, Libya, the Philippines and the United Arab Republic. In the field of housing, a pilot plant for the production of prefabricated housing units, with emphasis on the maximum use of locally produced components, is to be established in Syria. Of particular significance was the pilot scheme in Togo for the promotion, demonstration, production and use of fertilizer. The project, which was elaborated as a result of detailed negotiations between all parties concerned, including private industry, would endeavour to reconcile the economies of a complex production operation to the restraints imposed by Togo's limited national requirements.

(l) Support in the field of economic development planning was illustrated by the project in Korea and a regional project, the Asian Institute for Economic Development and Planning. In the new field of assistance to development banks, the project in Burundi would assist the operations of national units of financing for the benefit of medium enterprises in the field of agriculture and industry.

(m) Finally, attention was drawn to the new format adopted in the preparation of addenda for the presentation of projects, with a view to presenting more precise information to the members of the Board and the Council regarding the definition of project objectives, as well as on the proposed means of execution to meet them.

Participating and Executing Agency overhead costs

17. 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).

Preparatory assistance

18. For 22 of the 52 projects and 5 supplementary earmarkings being recommended, the Administrator made use of Preparatory Assistance funds for revision, reformulation or evaluation of the requests, either by sending experts or consultant missions to the field or by referring the request to a consultant for opinion.

Cancellation of projects

19. With the concurrence of the Governments concerned, the Administrator recommended to the Governing Council the cancellation of the following projects: Ecuador (Improvement and Expansion of the National Agricultural Research Institute -

Table 7

Participating and Executing Agency Overhead Costs

Agency	Previous programmes		Present programme		Cumulative	
	Project costs a/	Participating and Executing Agency overhead costs	Project costs a/	Participating and Executing Agency overhead costs	Project costs a/	Participating and Executing Agency overhead costs
United Nations	\$170,408,412	\$16,771,350	\$ 9,252,900	\$ 953,800	\$179,661,312	\$17,725,150
ILO	103,876,102	10,872,600	1,968,600	214,400	105,844,702	11,087,000
FAO	344,951,172	35,479,175	9,153,500	998,100	354,104,672	36,477,275
UNESCO	142,772,972	13,707,250	4,548,400	498,000	147,321,372	14,205,250
WHO	22,679,700	2,326,700	322,900	35,400	23,002,600	2,362,100
IBRD	46,521,526	686,585	1,020,000	16,000	47,541,526	702,585
ICAO	15,024,176	1,183,500	195,000	21,500	15,219,176	1,205,000
ITU	22,203,084	2,248,600	1,836,300	201,200	24,039,384	2,449,800
WMO	16,834,529	1,667,300	-	-	16,834,529	1,667,300
IAEA	3,525,900	352,400	-	-	3,525,900	352,400
UNIDO	24,960,300	2,657,500	5,189,000	566,500	30,149,300	3,224,000
IDB ^{b/}	860,800	94,600	-	-	860,800	94,600
ADB ^{b/}	268,300	29,500	-	-	268,300	29,500
UFU	665,900	73,200	-	-	665,900	73,200
TOTAL	\$915,552,873	\$88,150,260	\$33,486,600	\$3,504,900	\$949,039,473	\$91,655,160

(United States dollars)

a/ Includes UNDP (Special Fund) direct costs.

b/ An Executing Agency.

INIAP) and Turkey (Radiation Disinfestation of Stored Grain). Uncommitted earmarkings for these projects amounted to \$1,900,345 and the corresponding reserve for the Administrator's contingency authority to \$152,028.

Non-operational projects

20. As requested by the Governing Council at its sixth session^{4/} the Administrator reported on projects which had not become operational two years after their approval. As of 31 December 1968, the following thirteen projects were not operational:

- (1) Chile - Assistance in Strengthening National Forestry Service^{5/}
- (2) Ecuador - Faculty of Agricultural Sciences and Veterinary Medicine, University of Guayaquil 6/
- (3) India - Grassland and Fodder Development^{7/}
- (4) India - Assistance to the Calcutta Metropolitan Water and Sanitation Authority 8/
- (5) Malaysia - Telecommunications Training Centres (Phase II)^{9/}
- (6) Mexico - Fishery Research and Development Project^{10/}
- (7) Peru - National Centre for the Development of the Food Industry, La Malina 11/
- (8) Saudi Arabia - Telecommunications and Broadcasting Training Centre, Jeddah 12/
- (9) Sudan - Agricultural Development in the Jebel Marra Area^{13/}
- (10) Syria - Euphrates Pilot Irrigation Project^{14/}

4/ See Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A, para. 125.

5/ See document DP/SF/R.2/Add.9.

6/ See document SF/R.11/Add.22.

7/ See document SF/R.10/Add.20. A drastic reduction and a corresponding amendment of the project's objectives was approved by the Governing Council at its seventh session in January 1969.

8/ See document DP/SF/R.1/Add.29.

9/ See document DP/SF/R.3/Add.34.

10/ See document DP/SF/R.3/Add.35.

11/ See document DP/SF/R.3/Add.41.

12/ See document DP/SF/R.3/Add.45.

13/ See document DP/SF/R.3/Add.48.

14/ See document DP/SF/R.3/Add.50.

- (11) Uruguay - Faculty of Agriculture, University of Uruguay, Montevideo^{15/}
- (12) Zambia - Small-scale Irrigation Development and Training^{16/}
- (13) Regional (Kenya, Uganda and the United Republic of Tanzania) - Immunological Research on Tick-borne Cattle Diseases and Tick Control.^{17/}

21. The Administrator informed the Council that four of these projects (Nos. 8, 9, 12 and 13) had since become operational. In the case of the other nine projects, he indicated that the difficulties which delayed the start of project implementation might be resolved shortly, and he therefore recommended that the UNDP continue its negotiations with the Governments and the Participating and Executing Agencies involved.

Surrender of earmarkings for completed projects

22. The Administrator reported that in the case of seventeen of the thirty-four projects whose financial accounts were closed as of 31 December 1968, the allocations were lower than the Governing Council earmarkings by the amount of \$976,676. He consequently recommended that the Council cancel these unallocated earmarkings and the corresponding reserve for the Administrator's contingency authority, the latter amounting to \$78,134.

23. The Administrator also informed the Council that two projects reported as completed as at 31 December had been reactivated. One of these, Poland - Training Managerial, Specialist and Supervisory Personnel (POL 1), was again reported completed as at 31 December 1968 while the other, Peru - Irrigation of the Pampas de Olmos (PER 15), had been reinstated as an operational project.

Summary of discussion

24. Following the consideration of the programme and individual projects by members of the Council during private meetings, observations by several members were made on the programme in public meeting.

25. One member expressed concern at the delay in the implementation of projects by the Participating and Executing Agencies and considered that more use should be made of sub-contractors. However, he expressed satisfaction with the efforts being made by the UNDP Administration to reduce delays at the planning stage and the Administrator's decision to review projects during the course of their implementation.

26. Commenting on the duration of projects, one member suggested that the Council be provided with more detailed information on projects in the pipeline and that the period during which funds were earmarked for such projects should be shortened. He thought it would be useful to devise a yardstick to measure the average time projects might be expected to remain in the pipeline. The Council would benefit

^{15/} See document SF/R.11/Add.40.

^{16/} See document DP/SF/R.3/Add.63.

^{17/} See document DP/SF/R.3/Add.66.

from more information on projects involving continuing commitments and on how the Administration was planning to phase out its assistance to such projects. He remarked that continuing commitments might make the programme less flexible and that it was necessary to set definite and limited objectives for projects to avoid this.

27. Several members observed that richer recipient countries should share a larger part of project costs than the poorer countries. The hope was also expressed that the Council would be provided with more information on the criteria applied by the Administration in this connexion.

28. While welcoming the over-all balanced distribution of projects by economic sectors and the increased number of projects in the industrial field, one member considered the proportion of industrial projects still unsatisfactory and suggested that the UNDP should systematically increase its efforts in that field. He was also concerned at the increased number of research projects which appeared to be at the expense of training projects and hoped that the balanced distribution in the programme submitted to the Governing Council at its seventh session would continue to be maintained.

29. In connexion with the geographical distribution of projects by regions, some members expressed concern at the large increase in resources allocated to Europe and in this connexion the suggestion was made that the UNDP should provide more assistance to Asia.

30. Two members suggested that projects should be assigned to agencies on the basis of more clearly defined fields of competence of the respective agencies.

31. One member commented favourably on the collaboration of the UNDP with the IBRD in the transport and urban development study in Colombia and the regional project for the realignment of the Congo-Ocean Railway.

32. An observer, who requested authorization to speak and was then invited by the President to participate in the discussion, inquired why the Administrator had decided to delete the Cuban project for assistance to the Faculty of Science of the University of Havana from the list of projects being recommended to the Council for approval at the current session. Some members of the Council expressed their concern in this connexion and drew attention to the need to take steps for the earliest possible activation of this project.

33. Some members observed that their Governments' approval of the Administrator's programme recommendations in no way implied that they had changed their views on South Korea, South Viet-Nam and the Republic of China.

Observations of the Administration

34. The Assistant Administrator and Associate Director of the Bureau of Operations and Programming, replying to comments made with regard to projects in the pipeline, informed the Council that the Administration would provide more detailed information in the future. He observed that projects involving continuing commitments were relatively rare and that the problem of the availability of funds to meet new needs as they arose was a constant pre-occupation of the Administration.

35. With regard to the balance between research and training projects, the position had to be viewed over a longer period before trends could be distinguished. There were currently many training projects in the pipeline. He also assured the Council that the Administrator was constantly trying to ensure an appropriate distribution of projects between geographical regions.

36. The Administrator was responsible for the selection of executing agencies, after consultation with the agencies concerned and with the recipient Governments. Projects often involved the fields of competence of several agencies and in such cases the Administrator always consulted the agencies concerned with respect to the selection of the executing agency, and informed the Council of his decision.

37. The Assistant Administrator and Director of the Bureau of Operations and Programming explained, with respect to the Cuban project for assistance to the Faculty of Science of the University of Havana, that the UNDP had carefully examined the question and had authorized UNESCO, the executing agency designate for the project, to undertake immediate preparatory work and to send a project manager and several experts to the project site. If satisfactory results were achieved during this preparatory period, the project would be included in the programme to be presented to the Council at its ninth session.

Decision of the Governing Council

38. At its 155th meeting, following the discussion under item 3 (b) of its agenda, the Council, subject to the observations and reservations expressed on some projects, decided:

- (a) To approve the proposed programme (see annex II);
- (b) To earmark for each of the projects listed in the programme the sum shown in column III;
- (c) To authorize the Administrator to make the appropriate arrangements with Governments and Participating and Executing Agencies for the execution of these projects;
- (d) To earmark an additional \$2,916,800 (equivalent to 8 per cent of the Special Fund earmarking of \$36,460,000 included in the total shown in column III of the programme) as a reserve for the Administrator's contingency authority;
- (e) To cancel uncommitted earmarkings in the amount of \$1,900,345 and the corresponding reserve for the Administrator's contingency authority in the amount of \$152,028 for the projects recommended for cancellation (see para. 19 above);
- (f) To cancel unallocated earmarkings in the amount of \$976,676 and the corresponding reserve for the Administrator's contingency authority in the amount of \$78,134 for projects which were completed during the year 1968 (see para. 22).

Preliminary operations

39. Under item 3.(c) of its agenda, the Council considered the Administrator's request for advance approval of preliminary operations on six projects, and his report on preliminary operations on two additional projects on which he authorized the commencement of preliminary operations prior to the eighth session of the Council (DP/L.103 and Corr.1).

Summary of discussion

40. One member welcomed the decision of UNDP to assist the United Nations High Commissioner for Refugees in the settlement of refugees in the Central African Republic and expressed the hope that similar projects in the Republic of the Congo, Sudan and Zambia would receive such assistance.

41. One member suggested that a more precise definition be found for preliminary operations, while another showed concern over the more than one year duration of preliminary operations on the project for the in-service training for agricultural extension workers in the Central African Republic, and the extension of the preliminary operations to the Jordan Housing Corporation.

42. Two members considered that the concept of pre-investment and development was not evident in the case of the highway maintenance programme in Afghanistan. They suggested that this type of work should fall under the Technical Assistance component of UNDP rather than the Special Fund.

43. One member wished to be informed on the procedures for joint programming and co-ordinated action by the UNDP and the IBRD in connexion with the project in Afghanistan for assistance to the Agricultural and Cottage Industries Bank.

Observations of the Administrator

44. The Assistant Administrator and Associate Director of the Bureau of Operations and Programming explained that highway maintenance was an integral part of development and of the investment process. The programme of Afghanistan for 1969 under the Technical Assistance component had been fully utilized; thus no further assistance could be provided under that component of the UNDP.

45. Concerning the question of joint UNDP and IBRD programming, he explained that at present the IBRD programming schedule was not the same as that of the UNDP and for this reason joint operations had not yet been possible.

46. He hoped that the Council would agree, when it considered the question, that preliminary activities of the kind proposed could be financed from the Revolving Fund, thus enabling the Administrator to respond to urgent requests which could otherwise not be included in the programme because of the programming schedule.

Decision of the Governing Council

47. At its 155th meeting, the Governing Council approved the proposed preliminary operations on the following six projects:

		<u>(US dollars)</u>
Afghanistan	- Highway maintenance programme	- 173,000
Afghanistan	- Assistance to the Agricultural and Cottage Industries Bank	- 121,500
Central African Republic	- Extension of preliminary operations for vocational training for rural artisans	- 25,800
Central African Republic	- Extension of preliminary operations for in-service training for agricultural extension workers	- 48,100
Central African Republic	- Development of Haut M'Bomou and refugee settlement	- 240,200
Jordan	- Extension of preliminary operations to the Jordan Housing Corporation	- 20,000

48. At the same meeting, the Council took note of the preliminary operations authorized by the Administrator between the seventh and eighth sessions on the following two projects:

		<u>(US dollars)</u>
Tunisia	- Establishment of polycultural co-operatives in the Kasserine Region	- 96,500
Regional (Mali and Guinea)	- Flood control and warning system	- 55,900

CHAPTER III

UNDP TECHNICAL ASSISTANCE PROGRAMME

49. Under item 4 of its agenda, the Governing Council considered:

(a) Procedures for the implementation of new arrangements for regional and inter-regional projects (DP/TA/L.23);

(b) Recommendations of the Administrator for regional and inter-regional projects (DP/TA/L.22).

A. Procedures for implementation of new arrangements for regional and inter-regional projects

50. At its seventh session, the Council confirmed the new arrangements proposed at its sixth session for regional and inter-regional Technical Assistance Projects,^{18/} subject to the postponement of the elimination of agency targets to a date not later than the operational year 19/ 1971. It requested the Administrator to consult further with the IACB preparatory to formulating for consideration by the Council at its eighth session revised procedures for implementation of the new arrangements.

51. In accordance with the Council's request at the seventh session, the Administrator, following further consultations with the IACB, recommended to the Council for adoption at its eighth session revised procedures to govern normal regional and inter-regional Technical Assistance programming, beginning with the programme year 1971 (DP/TA/L.23, para. 14). He also recommended for consideration by the Governing Council the text of a draft resolution for approval by the Economic and Social Council to implement these proposals (Ibid., para. 15).

52. The Administrator observed that there was evident need for some system of notional shares for planning purposes during the first stage of implementation of the new system. On the basis of consultation with the IACB, he concluded that it would be wise during the initial period to use the previous agency percentage shares on an informal basis for planning purposes only, on the understanding that, in reviewing requests, he would consider them on their merits. He explained that the use of such notional planning shares would be simply for purposes of convenience and would in no way commit the Administrator or the Governing Council.

^{18/} See Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A, para. 83.

^{19/} Ibid., Forty-seventh Session, document E/4609, para. 55.

53. At the same time, the Administrator sought the guidance of the Council on more permanent arrangements. He noted that these might eventually involve the elimination of any fixed percentage or separate amount for regional and inter-regional projects within the funds available for the Technical Assistance component as a whole. While further study would be required before such a recommendation would be made to the Governing Council, its general import would be to finance all regional and inter-regional projects, whether in the Technical Assistance or in the Special Fund component, from UNDP's global resources without any percentage or other earmarking (ibid., para. 10). The Administrator also sought the views of the Council on the possibility of using funds available for inter-regional projects in special cases: (a) to support institutions and activities of a global character, which might be centred in a single developing country but benefit over-all development in many countries and for which national counterpart contributions might therefore be impracticable; and (b) to support established institutions in developed countries to the extent commensurate with the services they render to nationals of developing countries in a range of activities carefully defined by UNDP.

54. Introducing the revised procedures proposed by the Administrator, the Assistant Administrator and Director of the Bureau of Operations and Programming explained that they were to be considered within the general framework of the revision of Technical Assistance procedures as a whole, and of the movement towards a genuine merger between the two previously separate components. On the country programme side, the revisions introduced in Technical Assistance programming were beginning to show positive results. The merger had become a reality and UNDP's total resources were now at the disposal of Governments for programming purposes. The Administrator had held a series of consultations with agencies, culminating in the discussions with the IACB and on that basis had drafted the procedures recommended for the Council's consideration. One problem concerned the time needed to introduce the new procedures, which was much longer than originally supposed. It was for that reason, he stated, that the Administrator had felt it necessary to provide for a second phase, after the transitional phase, to complete the introduction of the procedures. Another question concerned the guidelines to be adopted in programming Technical Assistance regional and inter-regional projects for 1971 and the Administrator had proposed that, for planning purposes, agency shares might be used as the guideline. The Assistant Administrator and Director of the Bureau of Operations and Programming emphasized that projects would not, however, be approved on that basis, but solely on their own merits. The Council might wish to consider those matters and give the Administrator the benefit of its guidance.

Summary of discussion

55. In examining the procedures proposed by the Administrator for the implementation of new arrangements for regional and inter-regional projects, several members of the Council expressed concern over the use of notional planning shares based on the previous agency targets. They considered that this use perpetuated the system of agency shares where the initiative for proposing regional and inter-regional projects rested with the Participating and Executing Agencies. While some members stressed the importance of regional and inter-regional projects being initiated by the Governments of the region or sub-region involved, others reiterated the principle that such projects should be considered on their own merits in accordance with such criteria as the needs of the requesting Governments and the over-all geographical distribution. Two members asked to be informed on the exact duration of the transitional period during which the notional planning shares would be used.

56. Concerning the number of Governments which must endorse regional projects for them to be considered for assistance by the UNDP, one member suggested that three was too arbitrary a number, and that endorsement by the majority of the Governments interested in the project should be sufficient.

57. Regarding the Administrator's suggestion that it might be possible eventually to eliminate any fixed percentage or separate amount for regional and inter-regional projects and finance them from UNDP's global resources, three members supported the proposal and two expressed the hope that this would permit an increase in the number of regional and inter-regional projects. However, one member stated that he favoured fixed percentages or separate amounts for such projects.

58. With regard to approval by the Administrator of projects costing less than \$200,000, one member suggested that such earmarking should be financed within the framework of the credits opened by the Council for the purpose. Several members expressed themselves in favour of the proposed procedure, but expressed reservations concerning the proposal that the Administrator be authorized to approve the extension of such projects if the cost of their extension was less than \$200,000. They considered that requests for extension should be submitted to the Council for approval when their cost, added to the cost of the initial project, reached or exceeded \$200,000. It was suggested that the proposal be changed accordingly.

59. Referring to the proposal on the possible use of funds available for inter-regional projects to support special institutions and activities of a global character, three members considered that such assistance could be given in certain cases. One member suggested that no counterpart contribution should be required in such cases. Many members requested additional information from the Administrator on this proposal.

60. Several members expressed concern over the Administrator's proposal to support established institutions in developed countries to the extent commensurate with the services rendered to nationals of developing countries. There was a general consensus that UNDP assistance, in any event, should not be provided to cover the fixed costs of such institutions. While some members advocated the establishment of such institutions in developing countries to avoid the concomitant ill effects of the "brain drain", two members considered that UNDP assistance should be limited to the direct costs of studies in such institutions in developed countries. One member suggested that projects including UNDP assistance to institutions in developed countries should be submitted to the Council for approval, whether or not such assistance amounted to \$200,000.

61. Concerning criteria necessary for programming regional and inter-regional projects, one member suggested that the recommendations of an evaluation study of seminars and short-term training projects referred to in the Administrator's statement to the Council (DP/L.108) were equally valid for the larger type of training and research institutions, and should be applied to all such regional projects. Another member proposed that the UNDP should establish a list of priority regional and inter-regional projects in consultation with the Governments of the countries concerned and the Participating and Executing Agencies. Every year the Governments should be asked if they approved the continuation of these projects. This would permit the establishment of a system of periodic evaluation of all regional and inter-regional projects. One member requested the Administrator to make more detailed proposals on criteria for programming.

62. One member considered that the Administrator should submit to the Council for examination all regional and inter-regional projects throughout their duration to permit the Council to better judge the validity of their respective extensions.

63. One member suggested that consideration of the second stage of evolution, when a fixed percentage of resources for regional and inter-regional projects might be eliminated, should be deferred, since the outcome of the Capacity Study could be expected to provide material relevant to the question. For the same reason, review of the practice of his Government in expressing its pledges to the UNDP in the form of separate amounts for the two components would not be reviewed at the present time. He sought and received confirmation from the Assistant Administrator and Director of the Bureau of Operations and Programming that under the new procedures approval would not have to be secured for each year of the life of a project. On the other hand, he proposed that the renewal of a project and of its impact on the region should be subject to study during its lifetime.

Observations of the Administration

64. Replying to the observations of members of the Council on the proposal to support special institutions and activities of a global character, the Administrator expressed concern over the UNDP's sparsity of assistance to basic research in certain important fields. He suggested to the Council that it would be of great value for the over-all development efforts of the UNDP if the Administration were given some freedom of action concerning basic research projects. He believed that the Council would fully grasp the importance of UNDP's involvement in this field, after reading the summary of discussions of a conference on agricultural development through technology, which he had recently attended.

65. The Assistant Administrator and Director of the Bureau of Operations and Programming, replying to the comments made with respect to notional agency shares, assured the Council that the Administration did not intend deferring the elimination of agency targets, but that indicative devices were needed for planning purposes to assist in decision-making and the formulation of recommendations to the Council. He confirmed that the UNDP was totally committed to the principle that requests for regional and inter-regional projects should be submitted by Governments, through the normal channels provided by the Resident Representatives, and that these requests should be considered on their own merits in accordance with certain criteria. He stated that the transitional period before the full implementation of the Council's recommendations should not last beyond the next programming period. The recommendations would be fully applied from January 1971 onwards.

66. Concerning the suggestion that project support by three Governments be required for a regional or inter-regional project to be considered, the Assistant Administrator and Director of the Bureau of Operations and Programming explained that three should be considered a minimum number. It was the same number required for regional projects under the Special Fund component.

67. The suggestion for UNDP assistance to institutions in developed countries was intended to enable nationals of developing countries to obtain training, in the interest of their countries, in already well-established institutions, and it had been proposed to use UNDP funds only to finance the additional costs incurred in the training of nationals of developing countries. However, he assured the Council that the Administration would take note of the views expressed by members on this subject.

Decision of the Governing Council

68. At its 160th meeting, the Governing Council took the following action:

"The Governing Council

"1. Endorses the revised proposals of the Administrator to govern normal regional and inter-regional programming beginning 1971:

"(a) When approving the distribution of resources for each programme year, the Council shall determine the proportion of funds devoted to regional and inter-regional projects;

"(b) These funds shall be considered as a global target which shall apply to the programme year and provisionally to the next three years. Thus, at the ninth session (January 1970), the Council shall determine the global regional target for 1971 and that target shall apply provisionally to the years 1972, 1973, and 1974;

"(c) These funds shall be retained by the Administrator; the balance remaining after making provision for approved continuing regional and inter-regional projects shall be available to cover the cost of new projects or to extend existing projects;

"(d) New projects shall be subject to approval by the Administrator if their cumulative cost over the anticipated duration is less than \$200,000; otherwise, they shall be recommended to the Council for approval. Requests for the continuation of existing projects beyond their anticipated duration shall also be referred to the Council for approval if the total cost of the project, including its extension, is \$200,000 or more. These provisions shall be considered to be in force with immediate effect;

"(e) Requests shall be signed by a number of Governments which have decided to seek assistance from the UNDP in establishing regional projects. The fact that certain of these requests have originated from resolutions of inter-governmental bodies, or from regional and sub-regional organs of the Participating and Executing Agencies, acting within the framework of such resolutions, would be added evidence of the interest of the Governments of the region, but a formal submission by the Governments concerned would still have to be obtained. Project requests shall be submitted through the channels established for the transmission of country requests for UNDP assistance and shall specify the arrangements Governments have made for participating in such projects;

"(f) Each request should contain a complete description of the objectives of the project, its planned duration even if it extends beyond four years, proposed arrangements for its continuation after the termination of international assistance and complete details concerning any part of a project not financed from UNDP (Technical Assistance) funds, such as the provision of fellowships or advisers under other programmes as an integral part of the project. It should furthermore contain information and comments on the direct and immediate relevance of the project to the specific needs and priorities of requesting Governments, as well as an assessment of their ability to

utilize the anticipated results of the project. The main problems and factors in recipient countries affecting the fulfilment of their needs should be analysed and the assistance that the project might render towards the realization of country objectives should be explained. The request should also describe plans for follow-up, outline the proposed time schedule and present a detailed cost plan. Provision for financing from other sources should be kept entirely separate from the UNDP-financed portion of a project, i.e. an expert should be either fully charged to UNDP or to a Trust Fund or to other programmes. When possible, each request should also include estimates of the proportionate shares of each of the currencies expected to be used;

"(g) When approving, or recommending for approval, requests for regional and inter-regional projects, the Administrator shall, compatible with the needs of the developing countries:

- (i) assess the relevance of the project on the basis of the needs of the region, seeking additional information from the Governments and agencies concerned as he considers necessary;
- (ii) maintain a balanced distribution of funds between the various regions, taking due account of their size, their needs and the extent to which they derive particular benefit from assistance provided on a regional basis;
- (iii) take into account the need for ensuring that maximum use, consistent with the need for efficiency and economy of operations, is made of all the currencies available as part of global programme resources;

"(h) In the event that a further period of financing is envisaged for the continuation of a project beyond its expected duration, the Administrator shall make provision for a thorough review, not later than the final year of the life of a project, to demonstrate its impact on the region;

"(i) The Administrator shall report at each session of the Council on the regional and inter-regional projects approved by him and on the available balance of the global regional targets, making recommendations for approval of projects with a cumulative total of \$200,000 or more within the limits of these targets.

"2. Recommends to the Economic and Social Council the adoption of the proposed draft resolution on the matter (see annex III).

"3. Requests the Administrator to submit to the Governing Council for consideration at its tenth session a report elaborating the tentative proposals for a second stage of implementation of revised procedures referred to in para. 10 of DP/TA/L.23, taking into account the views expressed on the subject by Participating and Executing Agencies through the Inter-Agency Consultative Board and those of the members of the Council at the present session."

69. One member expressed the hope that the report called for under sub-paragraph (i) of the agreed procedures would be in a concise form similar to that approved for the Technical Assistance country programme at the seventh session of the Council. ^{20/}

B. Recommendations of the Administrator for regional and inter-regional projects

70. The Administrator submitted for consideration and approval by the Governing Council his recommendations (DP/TA/L.22) on thirty-two continuing regional and inter-regional projects costing over the \$200,000 limit established by the Council at its sixth session. ^{21/} In view of the Council's decision at its seventh session to postpone the elimination of agency targets for one year ^{22/} the projects were recommended for approval by the Council at its eighth session for the year 1970 only.

Summary of discussion

71. While the members of the Council generally approved the regional and inter-regional project recommendations of the Administrator submitted in document DP/TA/L.22, several wished to comment on specific projects.

72. Referring to project AFR/ILO/68/3: Vocational Training (Industrial), one member suggested that these regional advisers on the planning and the organization of vocational training schemes be used to evaluate other projects of this kind which would enable them to compare these various training projects.

73. Concerning project INF/ILO/68/22: International Centre for Advanced Technical and Vocational Training - Turin, one member expressed concern that UNDP's assistance should not take the form of direct or long-term subsidies to training institutions, particularly in developed countries.

74. One member expressed the hope that in the future, tables in annex I of the document containing the regional and inter-regional project recommendations of the Administrator could indicate the dates of inception of these projects or the year when EPTA or UNDP assistance was first given.

75. One member expressed concern over the duration, sometimes reaching twenty years, of UNDP assistance to certain institutions. He considered that UNDP assistance should serve as a catalyst and should be rendered in the initial stage of the establishment of institutions rather than given on a continuous basis.

Decision of the Governing Council

76. At its 160th meeting, the Council approved the regional and inter-regional project recommendations of the Administrator (DP/TA/L.22).

^{20/} Ibid., para. 80.

^{21/} Ibid., Forty-fifth Session, Supplement No. 6A, para. 83.

^{22/} Ibid., Forty-seventh Session, Document E/4609, para. 55.

CHAPTER IV

GENERAL DEBATE

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

(a) A statement by the Administrator (DP/L.108);

(b) A report on the activities of UNDP in 1968 (DP/L.104 and Corr.1 and 2, and DP/L.104/Annex and Corr.1, DP/L.104/Add.1, Add.2 and Corr.1, Add.2/Annexes, Add.3, Add.4/Rev.1, Add.4/Corr.1 and 2, Add.5 and Corr.1 and 2, Add.6 and ID/B/43/Add.1, and DP/L.104/Add.7).

A. Statement by the Administrator

78. In his statement (DP/L.108), the Administrator noted that the report on the activities of the UNDP in 1968 (DP/L.104 and supporting addenda) provided an extensive factual account of the joint efforts of the participating Governments and the United Nations system. The major conclusion which could be drawn from this report was that, in the preceding ten years, the UNDP not only continued to grow steadily in size and scope, but also became more productive, thanks to qualitative improvements.

79. Voluntary contributions increased from \$55.2 million for 1959 to \$183.5 million for 1968 and hopefully would reach \$200 million for 1969. Project earmarkings and the recipient Governments' own commitments reached a cumulative total of \$2,962 million for the decade. The number of experts working under UNDP auspices increased from 2,290 in 1959 to 8,200 in 1968, while the number of fellows rose from 2,100 to 7,130 for the same years. Equipment inputs increased from a value of \$1.9 million to \$25.2 million and the cost of subcontracts grew from \$288,000 to \$17.2 million. The flow of capital investment resulting directly or indirectly from UNDP-assisted projects increased by \$800 million in 1968 to reach a cumulative total of \$2,800 million.

80. He added that many achievements of the Programme could not, however, be easily measured and that only through visits to UNDP-assisted projects and discussions with recipient Governments could one begin to appreciate the value of UNDP efforts. This was one reason why he hoped that the Governing Council could from time to time meet in a developing country.

81. Noting that reports could not convey the full import of the evolution in Programme content nor indicate major progress in programming procedures and in strengthening the United Nations system's operational activities, he said that he would address himself to these issues in his statement.

82. Having paid tribute to the invaluable contributions which the Governing Council had made year after year, he stated that the Inter-Agency Consultative Board had also been most helpful. The views expressed by the agency representatives

and the Resident Representatives at the regional meetings of Resident Representatives in Manila, Santiago and Beirut had also contributed substantially to the thoughts in his statement.

83. The UNDP, while eagerly awaiting the Capacity Study, continued to take important steps to advance programme performance. Keeping in mind that the responsibility for determining the activities for which UNDP assistance was to be requested rested solely with the recipient countries themselves, the UNDP and the agencies were increasingly working towards an integrated country and regional approach rather than contenting themselves with ad hoc responses to isolated needs. This process had to be carried out within the framework of a development strategy. Creation of such a strategy called certainly for an increasing involvement of other assistance programmes and this would require additional efforts at co-ordination.

84. The Administrator reported on examples of closer United Nations family relationships and mentioned UNDP's participation in the World Bank consultative groups and in the country reviews of the Inter-American Committee on the Alliance for Progress. He added that other organizations in the United Nations family were also associated in these endeavours to improve the programming process and the same effort was noted at the country level where Resident Representatives, in collaboration with government planning authorities, convened formal and informal meetings to exchange information and co-ordinate programming.

85. The Administrator also said that it was clear that UNDP was deeply involved in a global development network and that this involvement would require modest budgetary provisions.

86. Having recalled the principle of co-ordination between multilateral and bilateral assistance, which was stressed in General Assembly resolution 1240 (XIII) establishing the Special Fund, the Administrator suggested the need for establishing and improving informational systems covering bilateral and multilateral projects and for exploring the possibilities of associating them, which might facilitate bilateral follow-up investment in appropriate cases.

87. The Administrator then referred to the importance of the communications component in many of the larger-scale projects. Noting that the recipient Governments had the basic responsibility for informing and getting the most important audiences involved in project goals, he stressed the essential role to be played in this field by the UNDP and the agencies. He was glad to report that UNDP, jointly with UNICEF, was fortunate to have built up invaluable experience in this field in one region - Asia - where a small corps of specialists was advising project staff in the region on the development of systematic communication programmes.

88. Having described some UNDP efforts in the field of improved programming, the Administrator said that delays in the recruitment of project personnel, sometimes due to an acute shortage of experts in certain fields, continued to be an adverse factor. He informed the Governing Council of the steps being taken by UNDP and the agencies to further improve effective implementation of UNDP's programme and said that he would continue to consult with the agencies, especially in the light of the Capacity Study findings, with a view to bringing about improvements in this matter.

89. The Administrator remarked that all agencies were in the process of internal reorganization with a view to improved performance. He said that certain

measures recommended for Council action, in the field of regional and inter-regional Technical Assistance projects and in proposals for a consolidated Revolving Fund would, if approved, further increase the capacity of the Programme to serve developing country needs.

90. Having said that the UNDP and the agencies had felt shortcomings in the reporting procedures, the Administrator explained that new reporting arrangements would come into operation on 1 July 1969. More emphasis would be placed on the production of substantive reports to be immediately submitted to the Government concerned in the course of project implementation. This procedure would make it unnecessary to issue the traditional final report following project conclusion.

91. The Administrator said that the new reporting arrangements were also designed to be an important instrument for project and programme evaluation. Evaluation of the problem of training of counterpart personnel had shown that a number of measures should be taken to increase the effectiveness of training activities under both Special Fund and Technical Assistance projects. The Administrator informed the Council that the Directors-General of the Participating and Executing Agencies had, in the course of the recent IACB meetings, addressed themselves specifically to this function and they had recommended that fellowships for counterpart staff should be increased and granted well ahead of the actual start of project activities and should include, whenever necessary, language training. They should also preferably take place in local or regional institutions and not a priori in highly developed countries.

92. The Administrator also referred to an evaluation study which had been conducted on the effectiveness of seminars and to the various recommendations made by that study.

93. The Administrator then turned to the question of new fields of activities which UNDP was urgently called on to enter. He explained how basic research, notably in the field of agriculture, had made substantial contributions to the development process and mentioned specifically the results of important recent discoveries in the field of high yield rice and wheat. He also said that at an agricultural research seminar which he had recently attended with Mr. A.H. Boerma, Director-General of FAO, the consensus of the participants had been that it would be possible to double the world's food-crop production within fifteen years and also to increase substantially the protein content of cereals and other food plants.

94. The Administrator said that he firmly believed that the UNDP should devote in 1970 something on the order of 2.5 to 3 per cent of its resources to global and regional projects in basic agricultural research. Projects of this kind, which should not necessarily require national counterpart contributions, should whenever possible be executed by the appropriate United Nations agency, but the consideration of joint ventures or the designation of existing research organizations as executing agencies should not be barred. The Administrator added that, should the Governing Council agree on this recommendation, he would expect that two or three such projects could be ready for inclusion in the January 1970 programme.

95. Another field requiring special attention was assistance in family planning, for which the Administrator said that the UNDP and the related United Nations agencies were gearing up for a new dimension of work. He also stated that at the request of the Secretary-General he had entered into an agreement under which the UNDP would be entrusted with the administration of the United Nations Trust Fund for Population Activities.

96. On the subject of speeding the flow of development capital, the Administrator recalled that the major international sources of development capital were working out new programmes and seeking new projects in all sectors. The World Bank had decided to double its lending activities over the next five years and the three major regional development banks were constantly reminding him of their interest in well-prepared projects. UNDP was in a strategic position to help in this aspect and he stressed that bankable reports and studies should, to the greatest extent possible, be produced within and by the UNDP system itself.

97. Bearing in mind the discussion on the subject of follow-up investment at the sixth session of the Governing Council, the Administrator informed the Council of steps he had taken in this field. The importance of preparing bankable studies and investment-oriented reports had been once more brought to the attention of the Participating and Executing Agencies, the Resident Representatives, and the UNDP headquarters staff.

98. The Administrator also referred to his proposal to the Governing Council that he be authorized to undertake investment feasibility studies to be financed from the Revolving Fund. He also said that he would call on a panel of senior financial advisers to aid in the implementation of this important task.

99. The Administrator recalled, however, that, regardless of the increases which might be expected in the flow of external capital to the low-income countries, these countries themselves still would have to supply about 80 per cent of the financial resources they needed for speeding their development. This led him to say that UNDP should also increase its activities in one further field - by assisting in the establishment and strengthening of banks, savings and loan societies and credit unions.

100. The Administrator concluded by recalling the present activities of the Capacity Study, the Pearson Commission and the preparatory work on the Second United Nations Development Decade. He reiterated that UNDP was primarily an instrument in the implementation of global development strategy but could also make a positive contribution in the formulation of that strategy. The pre-condition for the swifter progress of the developing countries was a considerably more massive injection of technical and pre-investment assistance.

B. Report on the activities of UNDP in 1968

101. The Assistant Administrator and Director of the Bureau of External Relations, Evaluation and Reports said that in the report on the activities of the Programme in 1968 (DP/L.104 and supporting addenda), the Administrator sought to provide the Council with a comprehensive, factual account and analysis of UNDP operations in 1968 covering broadly the Programme's growth and direction, progress and problems of implementation and results achieved. The report also contained a statistical annex as well as seven addenda giving detailed information on particular aspects of the Programme. As a special feature, part II of the report was devoted to a brief and essentially statistical review of Technical Assistance and pre-investment activities of the UNDP and its predecessor organizations over the ten-year period 1959-1968. This information, available for the first time on a consolidated basis, offered a useful retrospective view of the growth and development of the Programme.

Summary of discussion

102. The Council welcomed the Administrator's statement and expressed its appreciation of the informative and comprehensive documentation which had been placed before it. In the view of many members this had greatly facilitated the deliberations and helped focus attention on the important matters with which the Council was seized.

General observations

103. Many members of the Council expressed satisfaction with the ever-increasing scope and importance of the work of the UNDP over the past decade, and with the tangible and intangible results that had already been achieved in assisting the development of low-income countries. The dynamic character of the Programme, in their view, gave every assurance that the continuing and new needs of developing countries for pre-investment and technical assistance would be met effectively, provided that the resources available to the Programme continued to grow.

104. Many members of the Council referred to the limitation imposed by the inadequacy of resources for implementing a programme which would be commensurate with the needs of the developing countries. While voluntary contributions to the Programme had increased at an average rate of some 13 per cent a year since 1959, it was observed that the rate of growth in resources had considerably slowed down in recent years. Thus, resources pledged for 1969 were only 7 per cent above the level of contributions for 1968. This slackening at this important stage in the evolution of the Programme, in the opinion of one member, could lead to the loss of the ground covered during the past decade. Other members also stressed the urgent need for larger contributions to the Programme and a number of them informed the Council of their Governments' intentions to increase the size of their pledges. One member questioned the view that contributions should be made in convertible currencies to ensure their fullest use. In his opinion, the objective was to facilitate the transfer of science and technology to developing countries and as long as a currency, though non-convertible, could serve as a medium for this transfer, the UNDP should be able to use it. Some members of the Council stated that, in accordance with the principle of universality, all countries desiring to do so were entitled to take part in UNDP work.

The UNDP and global development strategy

105. The Council devoted a considerable part of its discussion to the role of the UNDP in relation to the global assistance effort on behalf of developing countries. It was felt that this was of particular importance at this juncture in the life of the UNDP, in view of the international development strategy now being formulated for the Second Development Decade and the related studies being carried out - the Capacity Study by Sir Robert Jackson on behalf of the UNDP and the Pearson Commission investigation on behalf of the International Bank for Reconstruction and Development.

106. It was generally agreed that the UNDP's role in the Second Development Decade should be viewed primarily as an instrument for the implementation of a global development strategy. In this connexion, one member pointed out that the operational character of the Programme, and its possibility of mobilizing resources

and translating them into technology for the benefit of development, made it a major positive instrument for development. For, in his view, it was only through the transfer of technology that the less developed countries could improve their absorptive capacity and make full use of their own domestic resources, as well as financial assistance made available to them.

107. An observer from a member Government believed that the UNDP, in programming and executing projects during the Second Development Decade, should direct its attention, inter alia, to achieving better co-operation and co-ordination of action among all United Nations agencies. There was also a need, in his opinion, to approach development projects vertically to ensure proper planning and adequate resources at all stages in their execution and that research projects should be given high priority.

108. There were some differences of opinion regarding the role of the organization in the formulation of development strategy. Some members felt that the UNDP had an important contribution to make in planning a global development strategy because of the extensive experience it had acquired over the years, in close collaboration with the United Nations family of organizations, in planning and implementing development projects. The Administration's views given to the Preparatory Committee for the Second United Nations Development Decade on the subject of a global development strategy, as contained in document E/AC.56/L.1/Add.3, were considered by one member as one of the outstanding contributions to the preparatory work for the Development Decade. He particularly highlighted the emphasis in UNDP's contribution on "commitments" as an indispensable element to any effective approach to a concerted development effort and on the adoption of a country approach for fixing targets. He doubted the usefulness of UNDP's suggestions on global priorities. The only basis on which suggestions could be made in areas of priorities were UNDP's past activities. But this presented a picture of what had happened rather than giving an indication of what should happen in the dynamic context of development. He suggested that further contributions by the UNDP on the subject should also include reasonably precise estimates of the resources needed for technical co-operation activities related to the over-all target of around 6 per cent average for the Decade, recommended by the Preparatory Committee, as a working hypothesis. Another member, on the other hand, expressed disappointment that the documentation submitted to the present session of the Council made little reference to the Second Development Decade.

109. One member stated that his Government had always stressed the importance and necessity of an international development strategy and underlined the essential part that the UNDP and the agencies should play in its formulation and implementation. He welcomed the preliminary discussion of the subject at the present session but thought that the Council should hold a main debate on the Second Development Decade at its ninth session when the Council would have the conclusions of the Capacity Study, and when the Preparatory Committee for the Second United Nations Development Decade would hopefully be in a position to report further progress in its work. The Council could thus reach constructive conclusions which could then be integrated in the proposals to be submitted to the Economic and Social Council and the General Assembly in the course of 1970. This suggestion was supported by several other Council members.

110. The formulation of an international development strategy was, in the opinion of another member, primarily the responsibility of the Preparatory Committee for

the Second United Nations Development Decade and the UNDP could best concentrate its efforts as a prime agency in its implementation. Another member thought that development strategy should be rooted in the needs of the developing countries and that any global strategy should accordingly be based first and foremost upon an analysis of country problems in relation to those of other countries.

The UNDP and the agencies

111. While the Council awaited with interest the Capacity Study regarding the future organization and directions of the UNDP, it was generally felt that there should be no delay in taking any immediate action considered necessary for the improvement of the Programme. In this context, the Council commented favourably on the various measures already undertaken or planned by the Administration to improve the procedures for programming, project planning, execution and follow-up. One member observed that, as in the case of some other Governments, the contributions of his own Government to the Programme had now reached a level where it absorbed a substantial share of his country's resources and, understandably, his Government was becoming increasingly concerned with problems such as objectives, efficiency and impact of development assistance.

112. The increasing emphasis being given to the integrated country and regional approach in programming UNDP assistance rather than ad hoc responses to isolated needs was generally welcomed. It was felt that this integrated approach was a step in the right direction. As one member put it, the new emphasis recognized that programming required an over-all perspective and that the method of assessing individual project requests on their own merits had its limitations. This process called for ever-widening relationships with other assistance programmes and, in this context, the Council noted with satisfaction the increasing involvement of the UNDP with the IBRD and regional banks and with other members of the United Nations family, such as the regional economic commissions, UNICEF, the World Food Programme and the United Nations High Commissioner for Refugees.

113. While appreciating that further progress had been achieved in co-ordinating the assistance efforts within the United Nations family of organizations, it was evident to many members that major obstacles still stood in the way of achieving effective co-ordination and co-operation among the organizations. On this point one member expressed disappointment at the failure, so far, to achieve the intended co-ordination of the UNDP and FAO on country representation. Another member pointed out that the members of FAO which were developing countries were highly interested in having FAO representatives in their countries; clearly the views expressed on the subject in the Governing Council were different from those expressed in the FAO Council. One member stated that with closer United Nations family ties, greater mutual support could be provided to the different programmes and would hopefully allow the Council in due time to consider the allocation of resources between geographical and substantive areas in a more appropriate, wider context. In his view, the Council still did not have a proper picture of what development assistance was being provided by multilateral organizations outside the United Nations system. A number of members expressed the hope that the practice of independent programming of development assistance by individual agencies was finally coming to an end and looked to the UNDP to hasten this process. It was recognized that improved co-ordination and co-operation with the United Nations system would allow for the more efficient use of scarce resources

and in practice constituted a prerequisite for the achievement of effective co-ordination with the other bilateral and regional sources of technical assistance.

114. Council members supported the position of the Administration that, in the final analysis, programming should originate at the country level and reflect the priorities of the planning authorities of the developing countries themselves. Many members stressed the central role of the office of the Resident Representative in co-ordinating the activities of United Nations agencies in the field. To this end, several members suggested that the terms of reference of the Resident Representatives be more clearly defined and their positions further strengthened, not only with respect to programming but also with regard to execution. On this point, another member observed that the Resident Representative's main function should be to ensure that a proper balance was kept between the activities of the different specialized agencies operating in a country and to ensure that any priority accorded to a project was consistent with the interests of that country. In his view, however, the Resident Representative must not take over the technical functions of the experts. One member elaborated that, with the historic emergence of the various organs and agencies of the United Nations system, it was quite natural for them to resist co-ordination. However, he cautioned that the problems were too large and the resources too small to permit a type of "interagency nationalism" to threaten the integrity and effectiveness of the United Nations system. This co-ordination, he added, should be effected country-by-country and region-by-region, by the Resident Representative, with the full support of the countries and agencies concerned.

115. Several members were of the opinion that the United Nations regional economic commissions had the capacity and were well placed to make an effective contribution to the Programme. One member observed that the Economic Commission for Africa could effectively prepare and assess specific projects in the region and assume operational responsibility for projects aimed at regional and sub-regional economic co-operation, intra-African trade, and establishment or strengthening of regional training and research institutions. While supporting the greater use of regional economic commissions, another member also suggested that co-ordination could be strengthened at the country level by setting up a consultative group in each recipient country, including participation of government officials, the Resident Representative, and the representatives of the principal bilateral and multilateral assistance programmes in the country. Such a group could review the country's assistance needs and possibilities, establish priorities, monitor and evaluate programme implementation and suggest regional projects to the regional economic commission.

116. On the general subject of programming, it was observed that an increasing number of project requests in the Special Fund component being submitted to the Council for approval had been prepared with the help of consultants financed under preparatory assistance arrangements. One member noted that 20 of the 57 projects presented to the eighth session of the Council had received preparatory assistance; moreover, the Administrator expected that the proportion would increase to ensure that projects were well conceived and well prepared. This member asked why preparatory assistance work as well as follow-up on completed projects in the Special Fund component should not be provided under the Technical Assistance component. He felt that the articulation between the two components of the Programme was not quite what it should be. He pointed out that the resolution establishing UNDP had provided that the two components of the Programme should retain their peculiar characteristics. He emphasized that, as the Programme developed, it involved new kinds of intervention which did not fit neatly into one or the other of the two existing components and that it would probably be

advisable, in the interests of flexibility and efficiency, to contemplate a more far-reaching amalgamation, in respect of both budgetary questions and procedures.

117. In reply, the Assistant Administrator and Director of the Bureau of Operations and Programming explained that projects in the Technical Assistance component had their own "raison d'être", were self-contained and were implemented as such. Furthermore, many of the Technical Assistance projects prepared the way for projects in the Special Fund component, although they did not necessarily produce such projects themselves. It was for this reason that the UNDP had found it advisable to provide assistance to Governments, where required, in reformulating project requests in the Special Fund component under preparatory assistance arrangements.

118. One member stated that, in a bid to bring about improvements in the Programme, too much energy and resources were being devoted to imparting advice on priorities, looking for new areas of activities and being rather excessively concerned about making the Programme investment oriented. In his view, much greater emphasis should be put on improving the procedure for the formulation, evaluation and implementation of projects. If steps so far taken had not had the expected impact, it was because emphasis put on certain factors regarded as the cause of the delay was misplaced and deficiencies which really needed to be remedied were being ignored. For example, emphasis was being wrongly put on the alleged inability of recipient Governments to provide counterpart resources. Figures in document DP/L.104 showed that recipient Governments as a group had provided as much by way of local resources as they had received from the UNDP. There was no justification for taking the view that Governments which had financed between two-thirds to four-fifths of their total investment through their own effort could not find counterpart resources for UNDP projects. He added that although the efforts of the developing countries as a whole had been, to quote a term used by the Secretary-General of the United Nations, "nothing short of heroic", conditions did differ from country to country. That was precisely why the UNDP provided for an exception to the requirement of counterpart support in certain cases. In those exceptional cases where domestic efforts had not been forthcoming, the reasons should be sought not so much in extraneous factors such as political instability, but in the stage of development reached in a particular developing country. The vicious circle of poverty applied as much to the limited activities in the field of development assistance as to the economy as a whole. In some cases, it was difficult to utilize the available resources for such assistance in the absence of the basic infrastructure required for the mobilization of domestic savings. On the other hand, the very purpose of assistance was to help the developing countries in building such an infrastructure. It was therefore important, in his view, that instead of emphasizing the obvious, the UNDP should look for those bottle-necks which really impeded progress and which could be speedily removed.

119. While appreciating that thorough assessment and formulation of project requests in the Special Fund component helped ensure better projects, several members expressed concern about lengthy delays between the initial submission of requests to the UNDP and their approval by the Council. Such delays, said one member, could seriously affect the timing of national development plans; since most of the project requests submitted were integral elements in national development plans, they should conform to the latter's time schedule. Another member said that delays in the processing and evaluation of projects could be the cause of future delays in their implementation. As a result of undue delays the perspective in which a project was conceived might change and some factors might

have to be reconsidered. This would make negotiations with Governments regarding the Plans of Operation unnecessarily difficult. He felt that the Administration was too frequently resorting to the practice of sending preparatory missions. This procedure not only caused delays but also unnecessary expenditures. He suggested that the Administrator should review whether the dispatch of preparatory and evaluation missions could not have been avoided, particularly in those cases where the project requests of Governments constituted a part of a well thought-out development programme and the aims and objective of the proposals were clearly related to such a programme. On the same subject, still another member wondered whether information could be supplied on the time interval between the opening of a project request file and the approval of the project by the Council.

The UNDP and bilateral and other multilateral programmes

120. The efficient use of UNDP resources for development assistance had also called for increasing involvement with bilateral and other multilateral programmes of technical co-operation. Towards this objective the Council concurred with the Administrator that greater priority be given to this problem and welcomed his proposals:

(a) To establish and improve systems for the exchange of information between bilateral and multilateral projects, provided countries with substantial bilateral programmes were willing to co-operate;

(b) To explore in a more systematic way, subject to the request of the beneficiary countries concerned, the possibilities for associating multilateral and bilateral assistance on a project basis, which might, among other things, help to facilitate bilateral follow-up in appropriate cases.

121. A number of members informed the Council that their Governments had already established arrangements with the UNDP to exchange information in order to facilitate co-ordination between their respective programmes. One member gave an account of a project carried out in collaboration with UNDP and other international organizations with a view to increasing the effectiveness of international Technical Assistance and UNDP activities in his country. They assured the Administrator of the continued collaboration of their Governments in this important work.

122. One member believed that there were several bilateral programmes which would welcome a sensible and comprehensible programming process under the aegis of the UNDP because of the guidance and leadership it could furnish. He had no doubt that the UNDP, with its increasingly well thought-out programming activities, uninfluenced by the special interests of donor Governments, would also be able to mobilize more associated assistance from other sources than was the case at the present time. This view was reiterated by several other members, who stated that their Governments were interested in exploring the possibilities of associating their bilateral programmes with that of the UNDP on a project-by-project basis. Various methods and procedures would, however, need to be worked out to ensure the effectiveness of an arrangement of this kind.

123. Several members thought that the exchange of information arrangements on different types of aid programmes was of special importance and in the view of one member was, in fact, a prerequisite for any effective collaboration between bilateral and multilateral assistance programmes. The main source of this

information should be the Resident Representatives, who were in the best position to obtain the information from the local governments and from the representatives of the assistance programmes concerned. He appreciated that this was an additional and difficult task for the Resident Representatives, but he thought that it could be made easier if UNDP headquarters would prepare appropriate standard reporting forms which could later be used for electronic storage and retrieval.

124. One member stated that co-ordination of the technical co-operation activities of the United Nations system with bilateral and other multilateral programmes was not yet adequate and that legal, institutional and administrative obstacles were the prime reasons for the limited progress achieved to date. He further observed that there was at present no forum for a global discussion of problems relating to bilateral and multilateral programmes of technical co-operation and believed that it would be useful to convene a conference for this purpose. He recognized, however, that the Council itself could not decide to arrange for such a meeting. The same member suggested that the Administration might prepare for the next session of the Council a short note on the methods that might be adopted for a regular exchange of information between UNDP and bilateral and other multilateral programmes. In this connexion, he observed that comprehensive exchange of information was not a simple matter and noted, for example, that the addendum to the report for 1968 on associated aid (DP/L.104/Add.4) was inadequate. In regard to the possibilities of associating bilateral and multilateral assistance on a project basis he pointed out that the matter required further study.

125. While fully supporting the Administrator's proposals for more systematic co-ordination between bilateral and multilateral assistance, one member stated that such co-ordination rested in the first place in the recipient Governments themselves, and that their approval was, of course, necessary for any supplementary co-ordination by the Administrator. In a related intervention, another member stated that this responsibility should rest with the planning authorities of the recipient countries. In the view of his Government this would be in accordance with the sovereign right of each developing country to decide on the nature and source of the assistance received. He recognized that UNDP should receive sufficient information about the assistance being provided from all sources by the requesting country and this could be met by an improvement in channels of communication between the Government and UNDP.

126. The harmonization of bilateral and multilateral assistance should be very flexible and realistic, according to another member of the Council. Bilateral aid, in the experience of his Government, was better adapted and quicker to obtain than aid through multilateral channels. The effort to co-ordinate the two types of programmes should not serve to delay financing or execution of a project.

127. One member observed that assistance under multilateral auspices had come a long way since the early 1950s and was now a firm reality. He recognized that bilateral assistance was still the order of the day and did not suggest that it should be superseded by multilateral assistance in the foreseeable future; yet he felt that multilateral assistance had proved its worth and had succeeded in opening up many new vistas, thus presenting bilateral assistance with a challenge. He felt that this was a healthy development but that the time had come for the two types of assistance to converge instead of compete. Another member also noted certain special advantages of aid under multilateral aid, such as bringing the experience of many nations to bear on the development programme and the avoidance of possible areas of misunderstanding that might arise between donor and recipient.

128. It was observed by one member that the various efforts being made to improve co-ordination would be of little avail unless each of the member Governments employed its own respective influence in support of the Administrator. He suggested, inter alia, that each Government speak with one voice in the United Nations forums and thus avoid having individual departments or ministries take different positions in various United Nations bodies; that Governments with bilateral assistance programmes ensure that their representatives co-ordinate closely with the Resident Representatives; and that Governments instruct their representatives to bear in mind the problem of co-ordination so that, before supporting the creation of a new fund or new programme, they would consider whether the ends sought could not be achieved through an existing mechanism; and that Governments, where appropriate, delegate to responsible United Nations executives the authority to co-ordinate.

Programme emphasis and new directions

129. The Council reviewed the various suggestions put forward by the Administrator for intensifying activities in certain parts of the programme and for initiating work in new areas of critical importance.

130. Mobilizing development capital. Particular attention was paid to the ways in which the UNDP could assist in mobilizing development capital. Some members considered that the problem was not a shortage of external resources to finance sound development schemes but rather a scarcity of adequately prepared investment projects. In this connexion the Council concurred with the Administrator that many of the projects being carried out by the UNDP offered interesting opportunities for investment but had not yet been brought to the point needed for investment decision. It endorsed the proposals made by the Administrator for bridging this gap.

131. One of these proposals, concerned with more effective measures for identifying specific investment possibilities and with the preparation of bankable studies and investment-oriented reports on suitable pre-investment projects, received general concurrence. Two members, however, commented on the difficulties involved in convincing potential investors of the validity of such reports. One felt that there was some doubt as to whether financing institutions would accept these reports, however excellently done. The other did not entirely agree with the reports being produced independently by the UNDP and felt that their usefulness would depend on the extent to which potential investors, whether the IBRD, or non-official sources or national organizations, were associated with the UNDP in the design and methodology of the report, and were kept informed as the study progressed. He added that project plans of operation should authorize the Administrator to disclose to potential investors the results of any study, provided the Government gave its consent. The Government should have the right to specify any particular source of possible investment it would like excluded.

132. One member stated that follow-up investment decisions are primarily the sovereign responsibility of recipient countries. In this connexion, he added that it would be more in keeping with the independent character of UNDP if reports on projects and investment possibilities were made available to the international financial community only through the competent governmental authorities. If projects were integrated into national development plans, provisions would have been made by Governments to ensure follow-up action, either national or international, according to government decisions.

133. In this connexion, another member feared that expanding too many links with other organizations, especially in the field of investment, and certain banking or lending institutions or other bodies which were not fully universal in the United Nations understanding of this term, might lead to subordination of UNDP activities to interests of one country or a group of them. He thought that the problem should be tackled in a flexible manner but with full awareness of the need to observe the basic principles under which the Programme operated - among them the right of each Government seeking assistance to decide on the sources and nature of such assistance.

134. In a related proposal, the Administrator sought authority from the Council to respond immediately to requests for specific investment feasibility studies in all sectors which would not exceed \$100,000 in cost and which would be financed from the Revolving Fund. Advocating the granting of this authority, a number of members indicated their whole-hearted support, one member commenting that speedy action might be the prerequisite for attracting investment in a number of cases, another hoping that this would improve the record on follow-up investments, another seeing in it a widening of the field of action in accordance with the view that there was room within the UNDP for certain forms of investment activities. Two members felt that the proposed ceiling of \$100,000 for the feasibility studies was too low. Agreeing that such reports should be prepared by the UNDP itself, a number of members observed that the agencies, aside from the IBRD or other financial institutions, were not in the position to produce reports which required a very specialized knowledge of the investment field.

135. There was also general satisfaction that the Administrator intended to call on the services of a panel of senior advisers to assist him in the preparation of final-stage feasibility studies and investment-oriented reports.

136. The Council heard a short statement from a representative of the IBRD in which he expressed the Bank's interest in the increased attention to be given to investment potential at all steps in the preparatory and execution phases of projects where the crucial decisions would be made which would determine bankability. He pointed out that it was not only a matter of investment follow-up. Of equal importance was investment orientation as a study or survey developed and was carried out. He offered the services of the Bank in assisting the UNDP and the agencies in identifying specific investment possibilities in all appropriate UNDP projects.

137. It was recognized that the bulk of investment capital required by developing countries would have to be raised and was being raised by the countries themselves. One member said that many disappointments could have been avoided in the past if the planning of pre-investment and Technical Assistance projects had begun by making a realistic assessment of the ability and willingness of recipient Governments and private investors in developing countries to put up the needed capital for investment. He believed that the UNDP should take account of the fact that the allocation of its resources among various purposes in a country influenced the manner in which that country allocated its own resources, at least where public capital was involved. UNDP therefore shared with recipient Governments the responsibility to see to it that what they did jointly did not run counter to sound financial policies and budgetary practices.

138. Considerable support was given to the Administrator's proposal to help establish or strengthen local financing institutions such as banks, savings and loans societies, credit unions, and similar organizations in order to help mobilize domestic resources.

139. One member observed that the creation of co-operative credit societies had done much for the well-being of both rural and urban populations. However, the operations of commercial banks had not always been conducive to economic growth. The importance of co-operatives in promoting economic development was also stressed by another member, who urged the UNDP to support such institutions. He suggested that the Administration might prepare for the next session a brief study on the possible role of the UNDP in that field. In response, the Assistant Administrator and Director, Bureau of Operations and Programming, stated that it would consult with the ILO, which was primarily responsible for such matters.

140. Mobilizing human resources. There was general agreement that development of human resources should continue to be a major area of emphasis in the Programme. The Council had been informed that UNDP and the agencies at recent IACB meetings had addressed themselves specifically to this problem and agreed that a number of measures should be taken to increase the effectiveness of training activities in UNDP-assisted projects. These recommendations included increases in fellowships for counterpart staff and the granting of these fellowships well ahead of the start of project operations; the use of the Technical Assistance component, whenever appropriate, to build up nuclei of nationals who could serve in implementing eventual Special Fund-type projects; arrangements for fellowship studies to take place wherever possible in local or regional institutions; and provision of stipends in certain cases to nationals attending training programmes in UNDP-assisted institutions. The main findings of the evaluation study were that a seminar-type project to be effective must be clearly relevant to the specific development needs, opportunities and resources of the countries participating in it.

141. Considerable discussion centred on these recommendations. Several members supported the proposal that fellowship training should as far as possible take place in surroundings appropriate to the solution of problems the trainees must face on their return. Every effort should be made to relate training in developed countries more directly to the practical needs of the people who have to live and work in the developing countries. One member thought the UNDP should give particular attention to the post-training period and to the readjustment of the trainee to his own country on his return and the effective utilization of his training.

142. The training of counterpart personnel, both before and during the execution of pre-investment projects, was cited by a number of members as an essential feature of development work. One member reminded the Council that counterpart training usually required a longer time-scale than other components of a project. In multi-phase projects, training would often have to start earlier and continue longer than other parts of the work. He would like to give the Administrator every encouragement to emphasize the necessity for adequate preliminary spade-work in training so that a sound foundation for a project could be established. The part which could be played by international experts in training national cadres was emphasized by another member, who said this constituted a lasting investment since only highly qualified national cadres were able to expand the productive forces, and thus accelerate self-sustaining economic growth. The facilities his country was offering for the training of specialists from developing countries were outlined by the same member who drew attention in particular to advanced courses being provided in economic and development planning and to technical courses in textile production. Another member felt that the UNDP did not collaborate sufficiently with the developing countries in training counterpart personnel in the specialties that these countries needed.

143. The question as to whether the training of counterparts should take place in local or regional institutions or in developed countries was also raised. One member felt that the temptation for trainees to stay abroad and not return to their own countries was in many cases too great. Another underlined the problems that arose when a counterpart left a quite important job in order to serve on an assistance project. The obvious solution was to train counterparts as an integral part of any project. He drew attention, however, to some shortcomings in study tours under which trainees visited plants abroad for a week or two without thoroughly studying any one of them.

144. In the opinion of another member, an effort should be made by UNDP to find existing institutions in developing countries, and to help them improve their standards and facilities. Moreover, all training institutes to which UNDP-sponsored fellows were sent should have an obligation to report on the trainees' performance to their Governments through the Office of the Resident Representative. He endorsed the practice of granting fellowships to counterpart staff well ahead of the start of project activities.

145. Another member thought that there were two points missing in the discussion on training. The first was how to relate and integrate present resources represented in existing educational and professional institutions around the world - an enormously under-utilized reservoir of talent - to development needs. The second was some new conception of a comprehensive educational component for self-renewal, self-evaluation and self-criticism for the United Nations family itself - perhaps a kind of international university, regionally deployed, combining a research teaching service for United Nations organizations.

146. Applied research. Many observations were made on the Administrator's proposal for associating UNDP with basic agricultural research. With remarkable results already being achieved in rice and wheat yields by modern scientific techniques it was believed that intensification of this kind of basic research could make an outstanding contribution in helping to meet the world's critical food problems. The Administrator specifically proposed that in 1970, the UNDP should allocate a small percentage of its resources - perhaps 2.5 to 3 per cent to global and regional projects in basic agricultural research without national counterpart contributions.

147. Supporting the proposal, one member said there was no doubt that the influence of the technological revolution upon economic and social activity opened up new possibilities for the UNDP and imposed new necessities. In devising the new image of the UNDP, members had to be fully aware of the new vistas offered by the results of modern scientific research. The UNDP had a responsibility to intervene in critical sectors where research, administration and training could represent a decisive contribution to the solution of the world food crisis, according to another member. Still another welcomed the news of the rice and wheat increases and estimated that the value of these increases was about \$1,500 million per year - a sum no less than one-quarter of all public assistance funds transferred to the developing countries annually. This was obviously one of the most encouraging developments of recent years. Governments should not, however, conclude that the world food problem was solved. High yield varieties called for more advanced technology and therefore for more basic research.

148. Some members recognized the importance of basic research in agriculture, but considered it equally important that it should be specified clearly that the

Programme might also support basic research in other fields, such as minerals, ground-water industry or any other field that the beneficiary countries might deem appropriate.

149. While agreeing that there was a place for research in the Programme, some other members wondered if this assistance should not continue to be given to applied rather than pure research. Others expressed their apprehension that UNDP activities in this field might have a replacement effect rather than a complementary one. Though he had no reservations about the value of basic research, one member wondered if UNDP could be more than of marginal use in an area which already had such wide support. Besides, it would be important to pay attention to areas where there were perhaps even greater needs.

150. Another member suggested that the UNDP should extend its activities to include the application of the results of research on "sea-farming" or marine agriculture which could make a significant contribution to meeting high-quality protein requirements.

151. Several members thought the Administrator should be authorized to go ahead and elaborate some projects for the Council's consideration in January 1970, particularly if they were proposals involving execution by existing research institutions. A number of Council members also felt that UNDP activities in this field should be according to the existing procedure of project requests emanating from Governments and having the full support of the Governments concerned.

152. One member felt that the Administrator's proposal for earmarking resources for global and inter-regional projects was a departure from the principle of the UNDP not prescribing to the developing countries the activities for which they should obtain assistance from the Programme. Besides, while considering the proposal, the Governing Council should also see whether the resources which the Administrator intended to have earmarked for this purpose could not be found from other channels and what was the nature of the difficulty in finding such resources through other channels. If Governments considered the question of basic research in agriculture and nutrition as urgent and important, they should have agreed to resources being provided through forums in which these problems had been discussed in great detail. In that case UNDP's activities in this field might mean only a diversion of resources from other areas of activity. He further stated that the Council should also make sure that steps taken by UNDP in financing basic research should not make inroads into the legitimate functions of the specialized agencies. Their legislative bodies might be better judges of what should be done in their respective sectors. He warned that the Council must ensure that the process did not end up by jeopardizing the established programmes of agencies as well as their expansion and, on balance, in making less resources available.

153. Projects which would give practical results in a not too distant future were hoped for by another member, who proposed that the support given by the UNDP should include a considerable contribution to the costs of the equipment and laboratories necessary for the application of research findings to the local conditions in developing countries. It was thought that a training programme should be included with each project so that the results could be put to good use.

154. Another member had no objection to UNDP funds being used for basic research, either regional or general, in agriculture or in any other economic or social

sector. However, he wished to be assured that the object was not to solve the financial difficulties of agencies. Two others were concerned that earmarking funds for this purpose might result in a shrinkage of the operational programme. In addition, another member felt that certain guidelines governing UNDP assistance in this field were necessary. He was concerned that there could be a danger of continuing commitments and said that efforts should be made to ensure that the support was finite.

155. Another member mentioned that some UNDP resources should be devoted to basic research in industry such as the development of new methods of production, processing of local materials, etc. He hoped that at least one project in basic industrial research would be recommended to the Council at its next session. He was also pleased to see that better use was being made of the resources of the Special Industrial Services fund but felt that this was an area in which improvements could still be made. A balanced programme for development including both industry and agriculture, promoting new markets as well as training and research, remained the pre-condition for further progress according to another member. According to another member, a lot of basic research would need to be done on the motivational and communications aspects of these programmes, on social environment problems of population control activities and on methods of contraception. He asked that the Administrator study and identify the needs for basic research in support of population control activities and make specific proposals for action to the next session of the Council.

156. Industry and trade. The increase in the number of industrial projects which were presented to the Council for approval at its eighth session was noted with satisfaction. Pointing out that development through industry permitted faster modernization than through agriculture, one member hoped that this trend would continue, the more so since the engagement of the United Nations system in this type of activity had been considerably delayed.

157. Council members felt that the UNDP should take a more active part in helping to improve the conditions of trade for the developing countries. Exports, and particularly the export of raw materials, could make an important contribution to their economic growth. As noted by several members, assistance for increasing production in the developing countries should be related to finding outlets for the produce. UNDP should co-operate closely with the UNCTAD/GATT International Trade Centre. One member of the Council remarked that the task of applying the new principles to govern international trade relations and trade policies adopted at the first UNCTAD Conference was of vital importance.

158. Family planning. Several members of the Council were pleased to learn of the agreement under which the UNDP would administer the United Nations Trust Fund for Population Activities. One member asked the Administrator for further information on that agreement and on the functions of the Governing Council in that respect, as well as on the use of the regular UNDP services in this connexion. He expressed particular satisfaction since his Government had been one of the advocates of family planning programmes as an integral part of a real development strategy. He welcomed especially the recent initiatives taken by the IBRD in this field. He was joined by several other members in commenting on the relationship between food production and family planning. One of these members reported on the ambitious five-year programme for population control his country had embarked on and pointed out that even sustained programmes would not show

results for at least a decade, and therefore urged all possible measures to increase food production to correct the imbalance between growth of population and food supplies. He looked forward to the formulation and execution of new programmes for population control financed by the new Fund. In the opinion of one member it was highly appropriate that these concerns should be co-ordinated through the UNDP.

159. Two members pointed out that the family planning activities were both enormously important and very complex. One said that the Council would need more time to consider how the international effort in this field might best be organized. The other said the matter would certainly be of key importance during the Second Development Decade, and the extent of the responsibility of the UNDP would need to be clearly defined.

160. Another member said that the principle that every project must derive from the request of a Government should be even more scrupulously observed in this field than in any other.

161. Development support communications. Interest was shown in new measures being taken to introduce a communications component as an integral part of certain projects in the Special Fund component where public understanding and support were essential for the achievement of project objectives. Some delegations commented on the Administrator's reported concern over the so far neglected field of the human aspects of development. They expressed the wish that this area might receive increased and more systematic attention. They also underlined the importance of employing qualified experts in this sector since it was so deeply affected by changes of an economic and technological nature.

162. Referring to services of this nature already organized in Asia, two members hoped to be kept informed on the results of this experiment so that use might be made of the experience gained. One of these members also felt that action on these lines would enable them to deal more effectively with criticisms of foreign aid. In the view of another member over-all development would be incomplete without development of communications and mass media. He saw the proposed service as another useful instrument in the educational process. Another member said that, while the responsibility for putting essential information across rested primarily with the Governments of developing countries, the UNDP and the agencies had an essential part to play in helping the Governments to plan and carry out communications activities necessary for effective project operations.

163. Agreeing that it was essential that the work of the UNDP be understood and supported both by local authorities and the general public, another member said that he was not quite clear what the Administrator meant by this communications component. If it was the dissemination of technical knowledge to all concerned, he would support UNDP efforts in this direction.

Programme implementation

164. Experts. The growth in project implementation and the continuing efforts of the Administration and the agencies to improve its quality were noted with

satisfaction. It was pointed out, however, that a number of problems were still delaying and hampering effective project implementation.

165. The major problem, as in the past, was the recruitment and timely arrival in the field of qualified experts. A number of members addressed themselves to this subject and, while appreciating the measures being taken by the Administrator to improve the situation, felt that still more drastic changes should be made in recruitment procedures. The need to establish uniform methods and procedures was emphasized by one member, who proposed that the UNDP should call a conference of agency representatives and national committees for this purpose.

166. Advocating a review of the present heavily decentralized system, another member attributed delays in recruitment to a lack of co-operation between the agencies, and received support for his suggestion that in the present age of automatic data processing, it should be possible to establish a central roster of experts which would be open to all agencies. On the other hand another member saw dangers in losing the human touch if recourse was made to computers. One member said the recruitment of project personnel was a serious problem confronting all development agencies which could only be solved by long-term planning. He suggested that a study be made of the estimated need for experts over a certain period, classified according to their specializations, and also covering the services that might be secured from consulting firms and organizations within the framework of a long-term plan. This would provide the basis for discussing the systematic training of young experts, including the provision of guarantees of employment over a certain period of years.

167. The part the universities could play in training experts was outlined by another member, who suggested the introduction of courses on development in certain colleges, the establishment of centres for development studies to train specialists in this field, and support for special courses for experts in various disciplines such as medicine, engineering, agronomy, forestry and agriculture which would include several months of field work in developing countries. In the same context, another member recommended the training of experts in fields where shortages were most acute, and the relaxation of qualifications demanded for experts which would make it possible to assign younger persons to work under the direction of senior experts, particularly in rural development programmes. He also stressed the favourable results achieved by the programme for associate experts undertaken by his Government. Another member also informed the Council of plans which his country was making to augment the number of associate experts they could provide to the Programme.

168. The recipient countries should have a greater voice in the recruitment of experts, according to another member, and should even have an opportunity to seek out candidates on their own. He also proposed, along with another member, that a panel of candidates should be submitted to the Government for each post and that the UNDP and the recipient Governments should organize intensive briefing for experts before commencement of their assignments.

169. The possibility of economizing on experts was raised by one member, who said that a thorough examination might reveal that too many experts were being provided for particular projects and were therefore being under-utilized. Specifically, he questioned the need for a full-time project manager in every Special Fund-type project. His Government's experience was that, in practice,

the project manager concerned himself mostly with matters which could be more appropriately and equally efficiently handled by local counterparts and the administrative officer. Besides, he also felt that a long-term project need not have, in addition to the services of individual experts, a project manager for the entire duration of it. He urged a serious examination of this matter and a report on it, if possible, at the next session of the Council. In response, the Assistant Administrator and Director of the Bureau of Operations and Programming said that when large sums of UNDP funds were committed to a project it was necessary to have a project manager to manage the UNDP part of the partnership activity. His function was to pass responsibilities on to the national director and gradually phase out his own job.

170. While noting with satisfaction that the numbers of nationals of developing countries on assignment had materially increased, many members urged still greater use of experts from developing countries. One member pointed out that use of experts from developing countries would serve the dual purpose of widening the area of selection, thus swelling the roster, and would also constitute extra field experience for these experts which they could later apply in their own countries or in another. Another member, commenting on the number of expert missions that had been sent to his country, asked if these missions were necessary and if their functions could not be better carried out by qualified national personnel.

171. Subcontracts. Several members emphasized the need for encouraging the greater use of subcontracting in the interest of speed of operations, avoidance of recruitment difficulties and improvements in efficiency. They considered that many of the agencies had not taken full advantage of the opportunities offered by subcontracting, and they urged that the Administrator emphasize the possibility of improved operations through use of this procedure. Some members wondered whether it would not be possible for the Administrator to be authorized experimentally to enter into contracting arrangements directly. It was suggested that explorations should be undertaken to permit greater use of academic institutions, trade and industry associations, and private firms. A number of members drew attention to the limited geographical distribution, with respect to placing of contracts, and they urged that steps be taken to endeavour to utilize firms and organizations on a widespread basis. One member stated that the same point should apply to major purchases of equipment. Another member was particularly concerned over the procedures used by the agencies for the registration of consulting firms, and felt that this subject should receive careful study.

172. With the support of several other members, the suggestion was advanced by a member that the Administrator arrange with the agencies for the preparation of an impartial report to be submitted at an early session of the Governing Council, which would elaborate on comparative experiences with consulting firms, and would attempt to measure the direct costs and implementation time involved in the system of direct recruitment versus that of usage of consulting firms. It was stated that this report should be a comprehensive one, designed to assist the Administrator, the agencies and the Council in reaching conclusions about the relative effectiveness and merit of consulting services.

173. While not disagreeing with proposals for further study of the possibilities for increased usage of contractual services, one member cautioned against too heavy an emphasis on this question. He pointed out that social and political factors necessarily played a large role in many of the activities of the organizations and that total effectiveness depended on more than technical factors. The agencies varied in terms of their requirements, procedures and general approaches, and the fact that subcontracting was used effectively in certain areas did not mean that the technique could be applied with general success throughout the system.

174. The Director, Division of Financial Management and Administrative Policy, said that the suggestions and comments of members would be carefully followed up. With respect to the suggestion for a comprehensive report on subcontracting, he affirmed that the Administrator would take into account all early developments which might bear on the matter, including the Capacity Study, and would submit the desired report to the Council at the earliest practical time consonant with these developments.

175. Referring to the various points raised, the Assistant Administrator and Director, Bureau of Operations and Programming, said that the system of recruitment, with which considerable dissatisfaction had been expressed, would have to be modernized and perhaps a centrally managed roster of experts established. Moreover, it would be desirable to look to the future, and make arrangements for the university training of persons who wished to embark upon careers in development work. Also, possibilities of creating co-ordinating machinery for the recruiting process should be explored.

176. Equipment. Concern was expressed by some members that the share for equipment in programmes presented to the Council for approval this year was smaller than last year. One member said that there was a growing need to provide more equipment to supplement the work of experts, particularly in the field of agriculture, training and applied research. Another member stated that the decrease was not due to the structure of the projects as requested by Governments, but reflected a philosophical bias in favour of a particular relationship between components - i.e. experts and equipment. In his view, the only criterion should be the need for such equipment as reflected in the project request and the availability of local counterpart personnel capable of using it. Adherence to any hard and fast rule regarding the ratio of the various components of projects ignored the differing needs of individual developing countries. He suggested further that, in regard to projects in the Technical Assistance component, equipment alone should also qualify for assistance for training, research and demonstration purposes as long as there was reasonable assurance it would be utilized well. This view was supported by another member who asked for flexibility in operational policies to allow recipient Governments to use the funds for any one-year programme for either equipment, experts or fellowships. The tying of equipment to the supply of UNDP staff did not always lead to the best possible resource utilization.

177. Another member suggested that future annual reports to the Council by the Administrator should include reference to the agency responsible for each major equipment purchase in the same manner as was done for subcontracts.

178. The Assistant Administrator and Director of the Bureau of Operations and Programming, in reply, said that there was no conscious reduction in the equipment component; in fact the UNDP was looking for ways to increase it. The decrease was due to the changing "mix" of the Programme. The recent programmes presented to the Council had contained a large number of short-term and supplementary assistance projects which did not require equipment.

Reporting and evaluation

179. Reporting procedures. Council members considered that the new reporting procedures were both necessary and timely.

180. On the subject of management information, one member assumed that periodic reporting on the implementation of projects would contain a substantial element of quantitative information, permitting the Administration to have available at frequent intervals a fully up-to-date picture of the over-all situation in the Programme, its rate of delivery, its progress and its problems both globally, by regions and by substantive fields. It was necessary for the Administrator to be in possession of such information in order to monitor the programme as a whole and give the Council up-to-date accounts of the current situation. It was the view of his Government that the Council must in the final analysis call the Administrator to account for execution of projects, although execution itself was carried out by the agencies. The Administrator, in turn, would have to call the executing agencies to account. This would make them indirectly responsible to the Council for the manner in which they discharged their given tasks within the Programme. This was important not only for the type of reporting that the Administrator could request from the agencies, but it also affected the relationship between the Resident Representatives and agency field staff engaged in UNDP-financed activities.

181. In regard to substantive reports to be produced and delivered to the Governments concerned in the course of project implementation, another member emphasized the importance of keeping the national authorities informed on the progress of operations and providing them with timely advice and guidance on matters arising out of project implementation. He felt it was especially important for the recipient Governments to be kept regularly informed on the training and progress of its counterpart staff to help ensure that projects would be completed on schedule and possess at that time an adequate number of qualified nationals to continue the work initiated with UNDP assistance. He also believed that projects should be reviewed each year and for this purpose his Government intended to establish a committee composed of the local officials, the Resident Representative and the project manager concerned.

182. Evaluation. Supplementing the Administrator's statement on evaluation, the Assistant Administrator and Director of the Bureau of External Relations, Evaluation and Reports described the evaluation activities being undertaken by the UNDP. In the first instance he referred to the evaluation of regional and inter-regional seminars, study tours, training courses and meetings of working groups of experts which were financed under the Technical Assistance component and undertaken with the full co-operation of the Governments and agencies. This, he said, could be called typical of one type of evaluation - namely, the systematic analysis of the Programme's over-all experience in supporting particular categories

of activities. An earlier study of this type had been made on OPEX assistance. Similar studies of other aspects of the Programme would be undertaken when justified by a specific and practical purpose.

183. Another type of evaluation study had been made on UNDP assistance to a particular country over a period of years. This study, newly completed, was an experimental venture, being the first country programme evaluation attempted by UNDP and the first trial of a method of defining the role of the Programme in assisting the development of a particular country. The main findings of the study had been included in document DP/L.104. The purpose of the study was to help the UNDP prepare guidelines for the use of the Resident Representatives on whom the responsibility for "country programme evaluation" would mainly fall.

184. The most urgent tasks of evaluation, he said, were the assessment of selected individual ongoing or completing projects in order to provide a basis for immediate operational or programming decisions by the UNDP and the agencies. Some twenty of these projects had been evaluated over the past twelve months. He emphasized that evaluation of selected projects was a process distinct from the appraisal, regular operational control, supervision and inspection to which all projects were subjected.

185. In regard to sectoral evaluation, it was decided that the best approach was through the cumulative results of the individual project evaluation - i.e. the results of the individual project evaluations would be periodically analysed according to sectors or sub-sectors, fields of activities, types of projects, and the country or regional context, in order to identify common trends, experiences and problems.

186. Council members expressed satisfaction with the volume and progress of the work being carried out by the UNDP in this field. One member was especially pleased to find that evaluation was becoming an instrument of management for the organization. As it was one of the Governing Council's functions to assist the Administrator in improving his management tools, he suggested that the subject of evaluation be included as a regular item on the Council's agenda. This suggestion was also supported by several other members.

187. One member thought it would be useful if the work programme of the UNDP also provided for an evaluation of the Programme as a whole.

Other matters

188. Concerning the venue of future sessions of the Council, many members welcomed the suggestion of the Administrator that the Governing Council should meet from time to time in a developing country. This would give members an opportunity of visiting project sites and examining various aspects of field operations. One member said that invitations from developing countries would not be lacking but because of the financial implications to the host country, something would have to be worked out by the Council. Another member suggested that, starting in 1970, the Council might meet every two years in a country in which a United Nations regional economic commission had its headquarters. Another suggestion to help give the Council a better appreciation of field activities was to have a few Resident Representatives attend Council sessions. If such arrangements were to be made, advance notification should be given to Council members so that they could familiarize themselves with the programmes being carried out in the particular countries of these Representatives.

189. Later in the Council's deliberations, the delegation of Venezuela indicated that if the other members of the Council were agreeable and interested, the Government of Venezuela was prepared to offer facilities for the Governing Council to hold its June 1970 session at Caracas. It was issuing the invitation without prejudice to any similar proposal which other developing countries might make, or to the decision which the Governing Council might adopt at its next session.

190. Several members expressed their satisfaction at the gracious invitation extended by the Government of Venezuela.

Decision of the Governing Council

191. At its 169th meeting, the Governing Council took the following action:

"The Council

"(a) Took note of the statement of the Administrator (DP/L.108), of his report on the activities of the UNDP in 1968 (DP/L.104 and addenda) and requested the Administrator to take into account the views expressed by the members of the Council during the general debate;

"(b) Attached great importance to UNDP activities in the various fields of basic and applied research, on programmes which are related to the solution of regional and inter-regional development problems involving the implementation of new technology through the support of existing or new research institutions in the developing countries, and authorized the Administrator to waive counterpart contributions from the requesting Government or Governments for this type of project to be submitted under the normal procedure of UNDP."

192. A number of delegations urged that priority be accorded to requesting the Administrator, with a view to obtaining the best possible results from aid from all sources for technical assistance and pre-investment within the framework of national and regional development programmes: (a) to arrange, in co-operation with the Governments of both developed and developing countries, for regular exchanges of information covering bilateral and multilateral projects and programmes; (b) to explore, at the request of the Governments concerned benefiting under the Programme, as a means of supplementing UNDP assistance where necessary and of facilitating follow-up investment in projects receiving such assistance, possibilities of undertaking projects financed jointly by UNDP and other sources of assistance.

193. A number of delegations also urged that the Council should: (a) continue to seek to adjust the technical assistance provided to the national objectives of each country as expressed in its national development plans; (b) intensify measures designed to improve co-ordination of UNDP field activities, by strengthening the co-ordinating responsibilities of the Resident Representative; (c) draw the Administrator's attention to the desirability of increasing the number of experts engaged from developing countries; (d) request the Administrator to study and propose improved methods of project evaluation; (e) request the Administrator to give special attention to UNDP participation in projects relating to trade and development.

CHAPTER V

PROGRESS REPORT ON THE CAPACITY STUDY

194. Under item 6 of its agenda, the Governing Council considered an oral progress report by the Commissioner for the Capacity Study.

A. Statement by the Commissioner

195. The Commissioner reported orally on the steps taken since last January for the preparation of his Study. He warned against premature comments which were already circulating on the scope or trends of his recommendations and stated that at this stage of the work he would avoid formulating tentative conclusions which would be only fragments of a complicated mosaic which he was still striving to dovetail together.

196. In the circumstances he felt that a brief statement restricted to the main developments since the last Governing Council session was more appropriate. The work had adhered closely to the time-table set out in January, despite some additional and unforeseen stages in the process of consultation and delays in receiving some of the material required. As requested by the Council, there had been further consultation with developing countries, but of the ninety-two Governments to whom formal communications were sent sixteen had so far replied. He hoped that responses would soon be forthcoming as this information would usefully supplement the comments and suggestions of the many officials from the developing countries, as well as from the international organizations and programmes, who had been consulted since January.

197. The Commissioner referred to the past months as a period of intensive consultations. The staff of the Capacity Study had met in February with the Advisory Group, which is composed of officials of the UNDP and agencies with key operational responsibilities. The Commissioner had met personally with the heads of the agencies of the United Nations family as well as with senior staff dealing with development operations. The Panel of Consultants for the Capacity Study held a session in Geneva at the end of April, which had provided an opportunity for a wide range of exchanges of views on major issues to be covered by the Study. At the beginning of March, consultations had taken place with the Enlarged Committee for Programme and Co-ordination (ECPC) which, the Commissioner recalled, had terms of reference akin to his own, and necessary arrangements for further co-operation had been made. He had also met with the Chairman and the members of the Pearson Commission and more contacts would be arranged to ensure that the two reports were as complementary as possible. Further discussions were held with Professor Jan Tinbergen on the Second Development Decade, the Joint Inspection Unit, the Chairman of the Advisory Committee on Administrative and Budgetary Questions and the Chairman of the external auditors. He had also consulted most of the main donor Governments. The Commissioner added that although this process of consultation had been time-consuming, it was essential in view of the nature of the study and the need to avoid duplication.

198. Work had also been initiated at the Governing Council's request on a conceptual design for the collection, retrieval and storage of information - a word he preferred to "data" - and the corresponding report would be incorporated in the Study. The time had now come to draw conclusions and prepare recommendations covering the whole field of the Study. He stressed that the deadline must be met as many issues had been deferred by various bodies of the United Nations system pending the outcome of the Capacity Study. Moreover, a certain willingness to accept changes would diminish unless discussion of substantive proposals could be started soon. He planned to submit his report in the four languages by the beginning of December 1969.

199. The Commissioner stated that he had understood that the wish of the Council was that his report be circulated simultaneously to the Governments, UNDP and the participating agencies. This implied that the Administrator of UNDP, the Inter-Agency Consultative Board (IACB) and the Panel of Consultants would probably be able to comment only in January 1970. In this connexion, he recalled that a suggestion had been made last January that a special session of the Council be held in the spring of 1970 so Governments would have had time to examine the report and the bodies directly concerned to submit their comments. He requested the Council's decision on these procedural aspects and also as to whether the Council wished to have his subsequent comments on the reactions of UNDP, IACB and the Consultants.

200. He also mentioned that, at the last meeting of IACB, several of the executive heads of the specialized agencies had taken the initiative of suggesting a meeting with him in early September. The Administrator had made it quite clear that the text of the report and recommendations could not be discussed at this meeting, as they must be submitted directly and simultaneously to Governments. However, the heads of agencies expressed the view that mutual profit could be obtained from an exchange about the major problems, without prejudice to what was said in the final report, and a meeting at the highest level had been arranged from 1 to 3 September. In order to make it clear that it was not an IACB meeting, the Administrator of UNDP had decided not to attend the meeting but to consult separately with the Commissioner if still necessary at that stage of the preparation of the report.

201. In conclusion, the Commissioner stated that whatever would be the final outcome of the Study, it was already clear that it responded to real needs. The Study was the result of a wind of change which was blowing but it could also influence its direction. Indeed, the Study had from the outset a catalytic effect reflected in the many changes under discussion by the Study which were already taking place. The final report would express an honest and independent opinion; the onus for action would, however, be on Governments and the United Nations system.

Summary of discussion

202. Members of the Council expressed appreciation for the Commissioner's statement and noted the extensive consultations which had taken place in the last few months. They considered that these consultations, though time-consuming, were essential in view of the scope and nature of the Study which had to reflect on the various positions and even shades of opinion which Governments and organizations held in these matters. Some members wished that information had

been provided on the trends in the future recommendation or the general lines of the conclusion, but stated that they realized the reasons for which the Commissioner refrained from formulating partial or tentative conclusions at this stage. In this connexion some members recalled the views they had previously expressed on the importance of an independent study on multilateral assistance just before the Second Development Decade and stressed that it should focus on the capacity of the present system to handle twice as large a Programme without structural reforms and if the system was not able to do so, to submit proposals for alternative solutions.

203. One member remarked that the process followed for the preparation and examination of the Study would influence the possibility of implementing its conclusions, the basic objective being to increase the value of the assistance provided. He wondered whether the Study would tackle broad issues of technical aid such as the means of harmonizing opposite trends; for example, nationalism versus internationalism, centralization and de-centralization, unity and diversity. He inquired as to whether the Study would approach broad questions touching upon the framework of the international organization on the eve of the twenty-fifth anniversary of the United Nations. Finally, he asked whether the Study would be limited to UNDP matters; it could also cover major questions confronting the United Nations system such as the development of an effective United Nations information system, the decision-making process in the United Nations system and its procedures. Some other members emphasized that the Study should concentrate on the question of a more effective use of resources and therefore should examine, on the basis of first-hand information, the capacity of the agencies to help identify the needs of the recipient Governments, aid them in the preparation of projects and assist in their execution. The recommendations should be practical and lead to a flexible system which would avoid bureaucratic complexities and interagency difficulties. One member stated that, from the very beginning, his delegation's understanding of the scope of the Capacity Study had been that it would be concerned only with procedures, rules and regulations regarding the formulation, processing, evaluation and implementation of UNDP-assisted projects, and not with the general philosophy of aid or with inter-sectoral priorities of development or with other general considerations relating to economic development.

204. Turning to the consultations with the agencies, some members, while welcoming the numerous exchange of information and views which took place, expressed doubt as to the need for still further consultations in early September, and in this connexion stressed the importance they attached to the independent character of the Study.

205. As regards the distribution of the Commissioner's report, all speakers confirmed that it should be circulated at the same time to Governments, UNDP and the agencies.

206. Some participants felt that if the final report could not be available in September, at least a resumé of the main points and recommendations should be circulated by then. One member in particular mentioned that the early communication of the conclusions of the Study would be of interest to his Government in the consideration of its foreign aid policy. Another member drew attention to the fact that ECPC was to submit its report and recommendations in September and felt that it would be desirable for the Committee to have the Commissioner's conclusions, even if provisional. He suggested that the

Commissioner might take part in the meeting of ECPC on 18 September. Other members of the Council objected to any advance release of a resumé or provisional text of the Capacity Study as they felt that it could lead to misinterpretation and that it would actually add to the already very heavy workload placed on the staff of the Study. There was, however, general agreement that the document should be distributed as soon as ready in the original version, which would constitute an exception to the rule of the Council on documents. This advance distribution would be considered as an informal release by those Governments which normally received their documentation in their working language.

207. The members of the Council also discussed the manner and timing of its discussions on the completed report. In this connexion, several members stressed the central role which the Council must play in ensuring that appropriate follow-up action was taken on the basis of its examination of the Capacity Study. Almost all members were of the view that a special session should be convened in March to examine the report of the Commissioner as Governments would have had time by then to study his recommendations, and various organs and bodies interested would have had time to comment thereon. In this respect several representatives expressed a wish that the Commissioner remain available for future consultation with members of the Council and be given opportunities to comment on the reactions which UNDP, IACB, the Panel of Consultants and other bodies might have on his report.

208. Some members suggested that preliminary discussion should begin at the January session of the Council, followed by a substantive examination and decisions for follow-up measures at the special session in March, so that the Economic and Social Council and possibly the General Assembly would be able to take any action which might be required in 1970. Some other members, while agreeing to a special session in March, felt that it would be premature to take up in January a report issued so recently and that Governments would not have had time to consider the issues with their own ministries and departments concerned, or to consult with each other. They suggested, therefore, a short session in January on programme and budget only, and a special session in March devoted to the Study. The observation was also made that, in view of the importance of the subject, it was unrealistic to believe that the Council members would not speak about the report at the January session and that postponement might well tend to weaken the existing interest of all concerned in reforming the present system.

209. Some members having expressed misgivings at a decision which would be taken without knowledge of the content of the report and which could bind the newly elected members which would attend the Council in January 1970, the President recalled that the Council was master of its procedure and could always review its decision at the January session.

210. In response to a query, the Secretary of the Council explained that either postponing the January session or advancing the June session would raise considerable practical difficulties, as revealed in previous discussion in the Council on the timing of its sessions. He also mentioned that the cost of a March session at Headquarters would not be charged to UNDP as it would form part of the meetings and conferences held in 1970 by the United Nations and that he had already forewarned the Conference Services of the possibility of a March meeting.

Observations of the Commissioner

211. With respect to consultations with agencies, the Commissioner reiterated that the meeting to take place in early September had sprung from the initiative taken by the executive heads of the agencies; it was certainly not his intention to apprise them of his final conclusions, but to discuss with them some of the issues likely to be of major importance in the formulation of his own independent recommendations.

212. With respect to the size and timing of the report, the Commissioner drew attention to the voluminous material which had to be handled by his staff and to the fact that further and important comments from recipient Governments were still expected. He estimated that, although the main body of the report would be concise to facilitate consideration by busy ministers, explanatory appendices would be required and these, because of the complexity and number of the subjects studied, might well run up to 400 to 500 pages. Preliminary work on the translation was to begin this summer, but it was unlikely that the text could be ready before December in the working languages. He welcomed the authorization to make an advance, informal distribution of the text in its original language, but even this could probably not be done before early November as time had to be allowed for printing after completion of the final text at the end of September. He also wished to take into account the final recommendations of the Pearson Commission whose report would not be out until early October.

213. The Commissioner explained that, owing to the pressure of other meetings in September and the need to finish the draft report by 30 September, he would be unable to attend the ECPC meeting in early September 1969.

Decision of the Governing Council

214. At its 164th meeting, the Governing Council took the following action, on the understanding that at the January session, delegations would be able to express their initial reactions, if they wished to do so, to the Capacity Study so as to enable the Council to engage in a comprehensive discussion at its March session:

"The Council

"(a) Takes note of the oral progress report by the Commissioner for the Capacity Study and of the views expressed by members of the Council;

"(b) Decides that the final report of the Commissioner should be submitted to Governments, the UNDP and the Participating and Executing Agencies simultaneously, if possible not later than the beginning of December;

"(c) Decides that a preliminary review of the report at its next session in January 1970 would serve a useful purpose and that a special session of the Council should be held in March 1970 for the substantive consideration of the report;

"(d) Requests the Administrator to ensure that the services of the Commissioner would be available for assistance and advice to the Council during the consideration of his report, and longer if required."

CHAPTER VI
FINANCIAL MATTERS

215. Under item 7 of its agenda, the Governing Council considered:

(a) A comprehensive statement on the financial position of the UNDP (DP/L.105) and a report on the Revolving Fund (DP/L.105/Add.1);

(b) Proposals by the Administrator concerning the Revolving Fund (DP/L.107 and Corr.1 and Add.1)

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

216. In introducing item 7 of the agenda on financial matters, the Director of the Financial Management and Administrative Policy Division indicated that the comprehensive statements on the financial position of the UNDP and the summary of financial operations of the Revolving Fund (DP/L.105 and Add.1) were submitted to the Governing Council in accordance with standard arrangements. He expressed regret that the size and scope of the information to be submitted had made it necessary to issue documents of considerable complexity and length. The Administrator would undertake to modify the presentations in the future to make them more easily comprehensible and to provide for easier reference without eliminating any essential data desired by Governments.

217. The Director of the Financial Management and Administrative Policy Division noted that much of the documentation consisted of financial statements of various kinds reflecting in accounting terms the progress of the Programme dealt with substantively under other items on the agenda. There were, however, several matters covered by the financial reports to which members might wish to give particular attention. The first of these related to voluntary contributions from Governments, and annexes I and II of DP/L.105 provided basic information. The Administrator was pleased with the record of progress in terms of total contributions received annually, but considered that even greater efforts would be required in the future to furnish the programme with sufficient funds to meet even the modest minimum requirements. The Administrator would therefore welcome all steps to encourage Governments to participate financially in the Programme to an even greater extent than in the past. In this connexion, annex XI of the document, which listed unpaid contributions for 1968 and prior years, gave cause for some concern. The Administrator was aware of particular problems facing Governments from time to time in making payments by the due dates, but he hoped that it would be possible for the Governments listed in annex XI to take early action to clear up the overdue contributions.

218. With regard to the question of utilization of currencies, treated in detail in annex XVIII of DP/L.105, the representative of the Administrator noted that the new financial regulations for UNDP permitted the Administrator to transfer currencies surplus to the Programme's needs to other United Nations activities

where they were required, in exchange for other currencies which could be more readily utilized. In each case this would be done with the full consent of Governments making the currencies available. This facility gave the Administrator significant scope for improving the overall utilization of currencies and had benefits for the entire United Nations system. At its seventh session, the Governing Council had had occasion to discuss currency matters in connexion with its consideration of new procedures for regional and inter-regional projects under the Technical Assistance component. The consensus in the Council had been that currency utilization was essentially a technical and administrative matter and that it should be dealt with in that form. While not disagreeing with this consensus, the Administrator felt bound to note that although technical considerations predominated, it was readily possible for currency problems to acquire programming and policy overtones, when large accumulations of certain currencies built up. The Administrator was therefore anxious to enlist the support of all Governments towards the prevention of undue accumulations, both through payment of contributions to the maximum possible extent in convertible currencies and through governmental assistance in finding ways to expend currencies which tended to accumulate.

219. As a final point in his introductory remarks, the Director of the Financial Management and Administrative Policy Division drew the particular attention of members to annex XIII of DP/L.105 dealing with cash balances, notes and letters of credit, and investments. At its seventh session, the Council had had a useful exchange of views with the Administration concerning investment policies most suitable for UNDP. The Administrator had benefited from this debate and was now attempting to apply many of the ideas expressed. Principal among these was the goal of ensuring that all investments produced reasonably satisfactory income, were protected by suitable factors of security and, wherever possible, involved direct participation in development work. The Director of the Financial Management and Administrative Policy Division drew attention to the fact that cash resources of UNDP were being applied to participation certificates in development loans, including housing loans, at an ever greater rate. The matter of investment policy was an important one for the Administrator and for the Council, not least because an amount of approximately \$8 million annually was realized in the form of interest on investments.

Summary of discussion

220. Members of the Council indicated that the documentation on financial matters was useful not only in connexion with consideration of relevant agenda items during the Council sessions, but was also of great assistance to Governments as various analyses of the Programme were carried out in the appropriate ministries. New initiatives, as suggested by the Administration, to make the documentation more comprehensible and easily consulted, would be welcomed, but some members cautioned against simplifying to the extent that essential data were eliminated.

221. Several members expressed particular interest in the utilization of cash resources, and there was general satisfaction that participations in development loans were being arranged to an increased extent. One member noted that at the end of 1968 such loans amounted to approximately 23 per cent of the cash resources of the Programme, and he enquired whether, in the view of the Administrator, the ratio might reasonably become closer to 50 per cent. Other members suggested that

the entire matter of cash resources should receive thorough and continuous re-examination, both in terms of placing the cash on hand to better advantage and of possibly reducing cash resources through various techniques designed to support enhanced programme activity.

222. One member expressed concern over the amounts of funds devoted to payment of agencies' overhead costs and to administrative support factors, as reflected by the financial statements. He considered that these items should be subject to severe scrutiny and that forceful efforts should be made to reduce the amount of funds being expended on non-programme costs of this kind.

223. With regard to the question of currency utilization, several members supported the approach being taken by the Administrator, and in particular agreed with the action taken to exchange currencies within the United Nations system, as outlined by the representative of the Administrator. One member cautioned that the accumulation of non-convertible currencies might, from time to time, bring temptation to utilize them in ways which would not necessarily be most advantageous in the long run; he urged the Administration to consider the cost-benefit aspects in each case. The same member drew attention to paragraphs 7 through 11 of annex XVIII of document DP/L.105 and indicated his Government's appreciation of the Administrator's efforts to utilize convertible currencies as fully as possible in the countries of origin. Such action was not only of assistance in encouraging additional contributions to the Programme, but also permitted the countries involved to participate to a greater extent than might otherwise be possible in the form of provision of experts, supplies and services. The same member urged the Administrator to make renewed and continuous efforts in this connexion.

224. Concerning voluntary contributions, one member pointed out that certain small countries were bearing an undue share of the total burden, if measured with regard to the normal assessment scales utilized in the United Nations family. He considered that the record of these countries constituted a striking challenge for larger countries to match, and he urged them to do so. Another member, while in full sympathy with the Administrator's efforts to increase the amounts of voluntary contributions, emphasized the problems of countries with long-standing and extensive programmes of bilateral aid. The Governments of these countries could not easily shift from their established patterns.

225. One member enquired whether the minimum liquidation reserve of \$20 million, set at a time when UNDP resources were less than at present, continued to represent an adequate level. He invited the Administrator to comment on this point.

226. One member inquired about the criteria used by the Administration for granting full or 50 per cent waivers.

227. Another member called attention to the financial statement on preparatory assistance missions as contained in DP/L.105/Add.1, and stated that in general such missions were to be encouraged. He had some doubts as to whether sufficient care was always exercised in mounting such missions, since it was evident that in many cases they did not result in the eventual creation of a project. The same member urged that experts and consultants for such missions be chosen with due regard for representation on a geographical basis, and he cited figures to show that this factor had not been given sufficient attention in the past.

Observations of the Administration

228. In response to the questions and comments of members, the Administrator and his representatives made several statements. With regard to future documentation on financial matters, members were assured that any improvements in presentation would not involve elimination of any required or useful data.

229. The Administrator agreed that the question of cash resources and particularly of the permissible amount of excess of earmarkings over resources should be kept under continuous review. He indicated that a special report would be furnished to a forthcoming session of the Council. As for the question concerning the appropriate level of the liquidation reserve, the Administrator considered that early action was probably not required but this point would also be examined carefully.

230. The Director of the Financial Management and Administrative Policy Division drew attention to the various studies of overhead costs being made or about to be undertaken. He thought that the Council might wish to consider the results of these studies before taking up the subject for renewed attention. Regarding the suggestion that up to 50 per cent of cash resources might be invested in development loans, he considered that this might be a reasonable goal, provided that general investment circumstances remained relatively unchanged.

231. With respect to waivers of local costs, he explained that full or partial waivers under the Technical Assistance component were granted by the Administrator when requested if the economic situation of the recipient country justified an exemption of such costs.

232. The representative of the Administrator also expressed appreciation for the general support given by members to the approaches being followed with respect to investments and currency utilization. The ideas and suggestions of members concerning financial matters were particularly helpful.

233. The Assistant Administrator and Director, Bureau of Operations and Programming, commented on the system of preparatory missions, pointing out that they constituted an important means of proper formulation, modification and revision of requests, which resulted in the saving of substantial sums of money.

234. He readily conceded that, in some cases, the sending of the mission resulted in a decision not to proceed with the project; this constituted another form of economizing, since unwarranted expenditures were thereby avoided. On the question of geographical distribution of consultants used on such missions, it was the policy of the Administrator to use consultants from many countries, but the primary consideration in their selection was their qualification for the task involved.

Decision of the Governing Council

235. At its 158th meeting, the Council took note of documents DP/L.105 and Add.1 and of the views expressed during the discussion.

B. Proposals concerning the Revolving Fund

236. In introducing this item, the Director of the Division of Financial Management and Administrative Policy explained that changing circumstances had necessitated the issuance of documents which were now before the Council for action; they were DP/L.107 and Corr.1 and DP/L.107/Add.1. He reviewed the present situation of the Revolving Fund and the recent developments in terms of the usage of the existing three compartments. The requirements for contingency purposes under the Technical Assistance component had started to diminish as a result of the effects of the new procedures relating to continuous programming. The Administrator considered that substantially less than the presently authorized amount of \$4.5 million would be required in future for this purpose, and this would make it possible to absorb the increasing requirements for preparatory assistance and preliminary operations under the Special Fund component.

237. The representative of the Administrator noted that members of the Council had advanced suggestions from time to time, and particularly at the sixth session of the Council, involving creation of a single unified fund without compartments. The Administrator had explored the possibilities in this respect and was convinced that these suggestions were valid and appropriate. It was therefore hoped that members could agree to transforming the Fund into a unified whole.

238. Turning to proposals for new approaches and increased financing contained in the documentation, the Director of the Division of Financial Management and Administrative Policy noted that several significant changes were involved. One of these was to enlarge the present rather restrictive definition of contingency activities under the Technical Assistance component. Another was to broaden the concept of preparatory assistance to permit its use in intensifying advance efforts in the field, as well as at the various headquarters of the organizations and of UNDP; this would provide the Council with much more rational and fully developed project requests and with far greater assurance of fully satisfactory performance. In addition, a proposal was advanced for including under the coverage of the Fund investment-oriented feasibility studies of a relatively low-cost nature. Approval of this proposal would enable the Administrator to take quick action in filling a present gap in development work, and the Council would be furnished with full details on a post facto basis of studies undertaken in this regard. In the documentation, the Administrator had suggested a limitation of \$100,000 for these small-scale studies, but subsequent examination, in co-operation with the World Bank, had revealed that a ceiling of \$200,000 would be more realistic. These suggestions, involving new approaches beyond the present activities under the Fund, would, in the opinion of the Administrator, justify the addition of \$1.5 million to the Fund's total, bringing its level to \$10 million. Finally, there was a proposal for including the Special Industrial Services programme under the Fund. The problem of local cost arrangements under Special Industrial Services type activities had been solved through consultations between the Administrator and the Executive Director of the United Nations Industrial Development Organization, but the question of future SIS financing remained for solution. Based on a series of negotiations, the Administrator was now fully prepared to propose the inclusion of SIS activities under the Revolving Fund, using arrangements which would be administratively and financially comparable to the contingency activities under the Technical Assistance component. While there were similarities, the Administrator was convinced that at the present time and in present circumstances work under the SIS heading required a rather different orientation as compared to

contingency financing. While other economic sectors could make certain claims for special treatment, the Administrator did not feel that the case for separate attention to them was equivalent to that represented by industrial requirements. In a few years it was quite likely that particularized attention to the type of activities represented by SIS might not be necessary, but at present there was a crucial need to continue the programme as such. Based on various studies and discussions, the Administrator was proposing that an amount of approximately \$2 million annually should be considered the suitable level for actual expenditures, although \$4 million was suggested as the appropriate ceiling for commitments each year. The SIS cash requirement of \$2 million annually, if added to the other Revolving Fund requirements amounting to \$10 million, would result in a new total figure for the Fund of \$12 million. The Administrator hoped that the Council could agree to this new total.

Summary of discussion

239. The large number of members taking part in the debate indicated general support for the recommendations of the Administrator, particularly with regard to the proposal for unification of the Revolving Fund. There was general satisfaction with the manner in which the Administrator had responded to earlier suggestions in the Council for reformation of the Fund and with his initiative in developing new approaches to meet newly emerging problems.

240. Several members stressed that the basic changes in the nature and coverage of the Fund should be undertaken on a carefully controlled and experimental basis and that there should be re-examination of the results of the new activities within a reasonable period of time. This applied particularly to the inclusion of the SIS programme under the Fund, since it could not be foreseen with accuracy how the new policies would develop and how long it would take before the designation of SIS as a particular activity would no longer need to be maintained. Some members thought that the financing of industrial projects in a manner similar to contingency activities under the Technical Assistance component of the Programme did not fully reflect the importance of industrial projects in the economic development of developing countries; and hence, a more permanent arrangement for the financing of industrial projects would have to be made. One member, supported by several others, thought that it might be wise to emphasize the separate nature and the special character of the SIS programme by specifying more explicitly that the Revolving Fund should cover other activities up to a level of \$10 million, and SIS activities within an approximate amount of \$2 million. Another member added that the compartmentalization of the SIS programme was not only in keeping with the special character of this activity but would also ensure that access to it would be possible regardless of the situation of the country target. Some members, in referring to the availability of SIS funds to all Participating and Executing Agencies, stressed the central role of UNIDO in co-ordinating United Nations activities in the industrial development field and urged that the limit, fixed by the Administrator for SIS type of operations, would be kept under review in the light of the eventual increasing needs of the developing countries in this respect. Some members asked that information be provided on the details of the agreement reached between the Administrator and the Executive Director of UNIDO on local cost arrangements under SIS activities.

241. With respect to low cost feasibility studies, all members referring to the subject supported the Administrator's proposal based on the advice of the World

Bank to place a ceiling of \$200,000 on the cost of individual studies, rather than \$100,000 as initially foreseen. One member stressed the importance of seeing to it that the studies resulted in bankable reports. Another member, supported by others, urged that no studies of this nature be undertaken without firm requests from Governments. The representative of the World Bank indicated that the Bank welcomed the new initiative on the part of the Administrator with regard to the low-cost feasibility studies. The Bank did not consider that it would by any means be the exclusive agent for such studies, but that other agencies would make equal or greater use of this facility. The Bank would consider it both desirable and logical to undertake such studies only upon request from Governments in accordance with traditional and proven practice of the Bank.

242. Concerning the proposals of the Administrator regarding extended preparatory assistance under the Fund, a member commented that the demarcation line between preliminary operations and preparatory assistance would certainly diminish, if not vanish. He thought that the Administrator's proposals were incomplete as they stood, since there should be a maximum limit placed on the cost of any individual activity in this area. Supported by other members, he suggested that the limit for approval by the Administrator, without the prior agreement of the Governing Council, should be \$200,000.

Observations of the Administration

243. Responding to a number of points raised in the discussion, the Administrator assured the Council that experience gained under the new approaches would be kept under closest review and that the Council would be fully informed continuously on all developments. He was quite prepared to accept the major suggestions made by members, including the limitation of \$200,000 on any pre-project activity without prior Governing Council agreement. He also confirmed that any low-cost feasibility study would be based on a formal Government request. He stated that the formula for including the SIS programme within the aegis of the Revolving Fund had been carefully worked out by all parties concerned, but that the matter was obviously complex and would receive the intensified attention it deserved.

244. Commenting on the SIS programme, the Director of the Division of Financial Management and Administrative Policy said that numerous possibilities had been considered during the lengthy negotiations leading to the present proposal. Among these had been entirely separate designation and funding, but there seemed to be a great weight of advantage in favour of including SIS under the unified Revolving Fund. This did not mean that the trend towards unification would be lessened because of the designation of the SIS activity on a separate basis. Even under the unified Fund, it would be necessary to maintain memorandum accounts for the different kinds of activity and to use particular designations of nomenclature for purposes of administrative convenience. The figure of \$2 million was not intended to be a fixed amount, but rather was an indication of order of magnitude or general share of SIS in the total resources of the Revolving Fund. The Council could be assured that a full report would be furnished regularly by the Administrator, showing for each broad activity the usage features and general developments under the Fund.

Decision of the Governing Council

245. At its 165th meeting, the Council took note of documents DP/L.107 and Corr.1 and Add.1, and of the views expressed during the discussion, and decided to approve the proposals of the Administrator contained in these documents and summarized as follows:

(a) The Revolving Fund should be administered as a single, unified Fund and not be sub-divided into designated amounts for particular purposes;

(b) The activities qualifying for financing from the Revolving Fund should encompass the following:

- (i) Contingency activities under the Technical Assistance component - to finance projects which are essentially of an emergency or compelling nature;
- (ii) Activities prior to approval of projects under the Special Fund component - within a limit in each case of \$200,000, to enable assistance to Governments in the preparation, elaboration and revision of requests for Special Fund financing; in the investigation and appraisal of such requests and in the preparation of projects to permit early effective alignment of key elements prior to full project approval by the Governing Council;
- (iii) Investment-oriented feasibility studies - to permit the carrying out of specific, relatively short-term, investment-oriented feasibility studies, costing less than \$200,000;
- (iv) Projects of the Special Industrial Services type - to enable the continued operation of the SIS programme at an annual level, consistent with the past development of the programme and commensurate with future needs within an appropriate limitation of \$2 million annually.

(c) The size of the Revolving Fund should be increased from the present level of \$8.5 million to \$12 million.

CHAPTER VII

ADMINISTRATIVE AND BUDGETARY MATTERS

246. Under item 8 of its agenda, the Council considered:

(a) A note by the Administrator on general policies in respect of budget estimates for the administrative and programme support services of UNDP for 1970 (DP/L.109);

(b) A note by the Administrator on the question of the timing of presentation to the Council of budget estimates for the administrative and programme support services of UNDP (DP/L.110 and Annex).

A. General policies in regard to the 1970 estimates

247. Introducing sub-item 8 (a) for discussion, the Director of the Bureau of Administrative Management and Budget stated that, following the recommendation of the Advisory Committee on Administrative and Budgetary Questions as endorsed by the Council, the Administrator had regarded 1969 as a year of consolidation for the Headquarters Secretariat. Accordingly no new professional posts were added at Headquarters for 1969. However, despite the considerable progress in improving and streamlining methods and procedures, the rapidly increasing workload had caused serious strain on Secretariat resources. It was in this context that the Administrator had to view the subsequent recommendation of the Advisory Committee ^{23/} that any future proposals for increasing the establishment of UNDP, particularly at Headquarters, should await the conclusions and results of the Capacity Study. Considering that the decisions resulting from the Capacity Study would not be available in time to be reflected in the 1970 estimates and the continuing heavy demands made on the Secretariat, some strengthening of staff resources would be practically unavoidable in 1970. The additional posts envisaged in document DP/L.109 had been kept to the very essential minimum and in a manner which would not prejudice the outcome of the Capacity Study.

248. Referring to the arrangements made in 1966 relating to Senior Agricultural Advisers, the Director underlined the dual considerations behind them: that the Resident Representative must be in a position to obtain, readily and without red tape, sound technical advice in agricultural matters; and there must be real and effective co-ordination at the country level. The United Nations development system must be in a position to give well co-ordinated and integrated advice to Governments and must have an effective unified representation to work with the planning and co-ordinating authorities in Governments. In making the arrangements, the Administrator had also been motivated by the fact that on an over-all basis, the cost of a single unified representation in a country was much less expensive

^{23/} See Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 44, document A/7453, para. 18.

to member Governments than the sum total of several separate and independent representations. Experience with these arrangements to date had been extremely satisfactory, but following discussions between the Director-General of FAO and the Administrator, it had been agreed that UNDP would maintain through 1970 the twenty-eight posts of Senior Agricultural Adviser approved for 1969 in the UNDP budget; no additional posts would be proposed in the 1970 budget of UNDP. At the same time, the Director-General of FAO had proposed an additional twenty-seven posts to be financed from the FAO regular budget for 1970-1971.

249. The Director further emphasized that the Administrator and the Director-General had also agreed to have the entire question reviewed during 1970 in the light of the conclusions and recommendations of the Capacity Study. It had further been agreed that all fifty-five officials would be designated "Senior Agricultural Advisers/FAO Country Representatives" and would function essentially within the framework of the 1966 arrangements as regards their general terms of reference. The Administrator believed that a full and detailed consideration of the question should await the recommendations of the Capacity Study; it would be unwise to take any rigid or final position before such a full discussion could take place in 1970.

250. As regards industrial development field advisers, the Director drew attention to resolution 16 (III) which the Industrial Development Board adopted on 13 May 1969, urging the Governing Council and the Administrator of UNDP "to provide financing for a substantial increase in the number of industrial development field advisers, commensurate with the future needs of the UNIDO programme". 24/ The Executive Director had since requested the Administrator to include in the UNDP budget for 1970 provision for ten additional advisers rather than the five envisaged in document DP/L.109. Subject to the views which members of the Council might express, the Administrator intended to accede to the UNIDO request and to make provision in the 1970 budget estimates for ten more industrial advisers, making a total of twenty in 1970.

Summary of discussion

251. Many members took the view that, despite the strain on present Secretariat resources, the Administrator should try to follow the suggestion of the Advisory Committee on Administrative and Budgetary Questions that any further increase in the establishment, especially at Headquarters, should await the outcome of the Capacity Study. Other members, while agreeing that it would be logical to wait for the decisions resulting from the Capacity Study, nevertheless believed that it would be unwise to freeze the situation and run the risk of creating a time vacuum in UNDP operations or even paralysing its activities.

252. It was suggested that the administrative cost of UNDP had increased rather rapidly and that a dollar spent on so-called overheads was a dollar lost to direct programme activities. It was argued by some members on the other hand that a considerable part of what was now known as administrative cost was in effect programme costs and that often a dollar spent on sound preparation and appraisal of projects saved many more dollars to UNDP.

24/ Ibid., Twenty-fourth Session, Supplement No. 17, annex VII.

253. Several members felt that before they could make a firm judgement on the need for strengthening the Secretariat, especially at Headquarters, more information on workload and manpower utilization was needed which, it was hoped, would be provided when the 1970 budget estimates themselves were submitted to the Council session in January 1970.

254. On the question of the Senior Agricultural Advisers, there was general agreement in the Council that a full and comprehensive discussion on this matter, and more generally on the question of co-ordination at the country level, must await the outcome of the Capacity Study. Many members also indicated that in the meantime the interim arrangements agreed between the Administrator and the Director-General of FAO should be applied in a spirit of co-operation.

255. The representative of FAO, in emphasizing the mutual interests of UNDP and FAO, drew attention to the role of FAO country representatives in assisting Governments in drawing up development policy in the agricultural sector and in advising the Director-General on the integration of national policy within the framework of FAO's regional and world policy. One member of the Council also emphasized this point and suggested that the ultimate test of successful co-operation lay in the willingness to subordinate the interests of the various organizations to the objective of rendering services to the developing countries.

256. Another member expressed the view that no case had been made out for varying the arrangements which had been made in 1966 and which had been working well. The need to avoid expensive duplication in the representation of members of the United Nations family was also emphasized in this connexion. The hope was expressed that the projected detailed review of this question would be vigorously pursued and that it would result in an appropriate solution which would strengthen, rather than weaken in any manner, the role and position of the Resident Representative. Another member pointed out that country representation should be envisaged on the basis of a concerted, over-all approach to problems rather than to the peculiarities of the agencies, and that it would therefore be advisable to strengthen the UNDP field offices rather than to maintain or set up separate agency structures at the local level.

257. There was general agreement in the Council on the essential and productive role of the industrial development field advisers and on the need to expand the related arrangements along the lines recommended by the Industrial Development Board and the Executive Director of UNIDO. It was noted that these arrangements would also come under review in 1970 as part of the over-all question of co-ordination at the country level.

Observations of the Administration

258. Replying to the discussion, the Administrator emphasized his continuing concern for economy in administration and explained that periodically a review was made of on-going activities with a view to eliminating those which were no longer essential. It was an over-simplification to hold that a dollar spent on administration was a dollar lost to the Programme; quite often a dollar withheld from sound preparatory work could result in a waste many times over in the Programme. Economy for economy's sake was easy to achieve through an arbitrary reduction of staff or activities, but economy must be measured in terms of the objectives to be accomplished.

259. Responding to specific points, the Director of the Bureau of Administrative Management and Budget gave a detailed picture of the essential needs at Headquarters in 1970, as far as they could be foreseen at this time. Between 1968 and 1970 there was expected to be a 40 per cent increase in the quantitative workload in regard to the handling of projects in the Special Fund sector. The desirable standard, which had been adopted a few years ago, for a project officer to handle twenty project cases on a continuing basis had been considerably weakened and the case load had become double that number of twenty cases per man. Even with the best improvements in procedures it was difficult to absorb a 40 per cent increase in workload without some increase in staff resources. In addition, a number of new activities had been undertaken at the request of the Council and in certain other areas work had been intensified. While some of this could be deferred temporarily until after the results of the Capacity Study were known, others required immediate and continued attention in the interests of the Programme. This was true, especially as regards the strengthening of the co-ordinating role of the area divisions, the introduction of the new reporting procedures including the submission of terminal project statements and long-overdue work in the field of staff training.

Decision of the Governing Council

260. At its 167th meeting, following the conclusion of the discussion, the Governing Council took note of the Administrator's report on the general policies in regard to the 1970 estimates (DP/L.109) and of the views expressed by members and by the Administration in the course of the discussion.

261. In view of the decision of the Governing Council, taken at its 171st meeting, to hold its next session in the month of January 1970 (see para. 321), the Council at the same meeting authorized the Administrator to maintain during the first part of January 1970 a rate of expenditure in respect of the administrative budget of UNDP at a level not to exceed that approved for 1969, pending approval by the Governing Council, at its next regular session, of the administrative budget for 1970.

B. Time-table for the presentation of annual budget estimates

262. Opening the discussion on sub-item 3 (b) and document DP/L.110 and annex, the Director of the Bureau of Administrative Management and Budget outlined the need to view the question of the time-table for budget submission in the context of the nature of UNDP. Being a Programme financed from voluntary contributions, the amount of resources available for a given year was determined first and the activities to be financed together with the administrative and programme support services were decided on subsequently. There would be some disadvantage in attempting to produce budget estimates in advance of reasonably definitive information on the amount of resources that would be available. In addition, there would be a few other minor problems relating to the accuracy of the estimates in attempting to prepare such estimates far in advance. Nevertheless, the Administrator's conclusion was that, should the Council decide on the submission of the estimates at its June session each year, there would be no insuperable difficulties, provided that he had greater authorized flexibility in the administration of the budget and that the possible need for supplementary estimates was kept in view. A related aspect of this question concerned the

timing of the review of the estimates by the Advisory Committee on Administrative and Budgetary Questions, and the Chairman of that Committee had indicated that despite some difficulties the Committee was prepared, as an interim measure, to adjust its schedule and to consider the budget estimates for UNDP during the first week of its summer session, around 15 May, and to issue its report thereon immediately thereafter. Thus, on this point also there was no insoluble problem.

263. While therefore, in principle, there was no serious obstacle to the submission of the budget estimates in June, there was a practical problem in respect of the 1971 estimates. The decisions resulting from the Capacity Study were unlikely to be available before April 1970 and there would be inadequate time for the sound preparation of the 1971 estimates which should reflect those decisions in time for submission to the June 1970 session of the Council. In the circumstances it seemed appropriate that the Council might wish to come back to this question at its tenth session in June 1970.

Summary of discussion

264. Members of the Council expressed general satisfaction that the Administrator had examined this question in depth and from all relevant aspects, and had concluded that in principle, and subject to certain conditions, there would be no serious objection to a June submission of the estimates. The need for greater flexibility for the Administrator in implementing the budget and the possibility of supplementary estimates in unavoidable situations were generally appreciated. Members also agreed that for the practical reasons outlined by the Administrator, it would be preferable not to seek the submission of the 1971 estimates to the Council at its June 1970 session and to return to this question at that session.

265. It was suggested that efforts should be made to submit the 1970 estimates, if possible, within four or five weeks after the Pledging Conference to be held in October 1969. It was also suggested that the document on general policies in respect of budget estimates for the administrative and programme support services of UNDP for 1971, which was to be submitted to the tenth session, should, if possible, be more detailed than similar documents up till now.

266. The need to limit recourse to supplementary estimates to unavoidable situations was also emphasized. Another suggestion, which was held as facilitating the Advisory Committee's schedule of work, was that there should be a preliminary examination of the budget in June with final decisions to be taken in the following January after receipt of the comments and observations of the Advisory Committee.

Decision of the Governing Council

267. At its 167th meeting, following the conclusion of the discussion, the Governing Council took note of the report of the Administrator (DP/L.110 and Annex) and decided to revert to this question at its tenth session to be held in June 1970.

CHAPTER VIII

UNITED NATIONS CAPITAL DEVELOPMENT FUND

268. Under item 10 of its agenda, the Governing Council considered a progress report by the Administrator (DP/L.111) on the United Nations Capital Development Fund (UNCDF).

269. In introducing the report, the Assistant Administrator and Associate Director of the Bureau of Operations and Programming recalled that the Council at its seventh session authorized the Administrator to explore possibilities of utilizing contributions already pledged to the Capital Development Fund. The Administrator had found that, for the moment, the only practical utilization seemed to be to make available for UNDP-assisted projects equipment provided by contributing countries against their pledges to the Fund.

270. He reported that the Administrator had taken exceptional measures and sent a high level consultant to a number of countries, including India, Yugoslavia, Brazil and the Netherlands, to ascertain how the pledged contributions to the Fund in non-convertible currencies might be utilized. The results of these consultations and missions were very satisfactory.

271. He commented that the resources of the Fund were very limited, amounting to the equivalent of \$2.6 million, mostly in non-convertible currencies. This being the situation, certain difficulties were presented and a pragmatic approach had to be taken. He recalled that at previous meetings of the Council various methods of operation had been suggested. However, the minimal size of the Fund's resources rendered it rather impractical to utilize its proceeds to soften interest rates of regional banks or to participate with them in lending operations, for the simple reason that the input by the Fund would be so small that it would be lost sight of. Furthermore, the Fund would be unable to undertake financing in its entirety of any full-scale production unit which would not be eligible for UNDP financing as a pilot project. Thus the initial operation of the Fund would, of necessity, be confined to follow-up investment or supplementary assistance for UNDP-assisted projects.

272. It was true that if the contributions were in convertible currencies the Fund could undertake more usual lending operations but for the moment that was not possible. For this reason no attempt had been made to suggest specific terms and conditions. Types of lending and procedures would be different for a Fund with greater capability.

273. The Assistant Administrator cited examples of possible transactions of this kind. He stated that fishing boats were manufactured in one developing country, a large contributor to the Fund, which were needed in another developing country as follow-up investment to a UNDP pre-investment project concerning development of fisheries. Another national project involved pumps produced in one developing country for use in a groundwater irrigation scheme in a neighbouring developing country. This would also be a follow-up investment to a UNDP pre-investment survey.

274. He reported that this early exploration of ways to initiate operations of the UNCDF had indicated that further exploration among other developing countries might prove productive, in that interest in the Fund might be enhanced as its possibilities became more apparent.

275. The Assistant Administrator put forward the Administrator's proposal that the Council give consideration to initiation of operations by having contributing countries fulfil their pledges in kind by making equipment, of their own manufacture, available as supplementary assistance or as follow-up investment on UNDP-assisted projects in other developing countries, and that the Administrator be authorized to proceed with negotiations with pledging countries on the terms under which equipment thus contributed might be made available.

Summary of discussion

276. Disappointment was widely expressed that the resources of the Fund remained so small and that none of the developed countries had seen fit to contribute. One member stated that he failed to understand why neither the developed market economy countries nor the socialist countries had contributed. Another member expressed the opinion that the Fund could hardly hope to be effective without a higher percentage of convertible currencies. Many members, while recognizing that limited resources were the cause, expressed concern over the slow progress in initiating the Fund's operations. One member felt that the Administrator's proposal contained an apprehensive note, that perhaps hope for convertible currencies no longer existed and that the contributions to the Fund accordingly would always be in kind. Another member recalled that the Council had requested the Administrator to consult with international institutions, including regional banks. He expressed surprise that there seemed to be no reference to that in the Administrator's report. Another member agreed with the recommendation of the Administrator but specified that operation on this basis must be provisional and exceptional - otherwise he feared it might change the character of the Fund, which had started out as an ambitious and feasible scheme and was limited to the suggested mode of operation because of its present lack of capability. Still another member complimented the Administrator on the pragmatic approach and expressed the hope that it might prove to be the "starting of a process". He suggested further exploration with the developing countries as how they wished to fulfil their pledges, whether in cash or with equipment. He suggested that the Administrator might identify Special Fund projects which were not currently eligible for follow-up investment from existing financial institutions and with regard to which the Capital Development Fund might be of assistance. Specifically, he suggested that UNCDF apply its resources to assistance to pilot projects.

277. Another member expressed agreement with the method of initiating operations recommended by the Administrator. However, he thought this type of operation should be considered a transitional arrangement. He deplored the abstention of the developed countries, stating that his country favoured an "autonomous Capital Development Fund geared at direct investment", and said that his country might endorse the establishment of the Fund as a "third window" of UNDP. The same member requested that further details as to terms and procedures for the transfer of equipment might be made available as soon as it became possible to do so.

278. Another member expressed the opinion that the report of the Administrator was too limited and that the first two types of lending suggested at the previous session of the Council, namely the softening of interest rates and participation with regional banks, were preferable to the method suggested by the Administrator. However, he said his delegation would go along with the recommendation in recognition of the present limitation of resources.

279. Another member stated that the operation of the Fund was supposed to be on a truly multilateral basis; whereas, fulfilling pledges with locally manufactured equipment for projects in other developing countries constituted a bilateral arrangement. He suggested that, rather than exploring what equipment was available in one particular country to meet the need of another, the Administrator should hold consultations on a wider basis in order to bring to light those needs of developing countries which could not be met from assistance by existing financial institutions. Besides, he thought that, within the limited scope of the Administrator's recommendation, it would not be possible to provide international bidding so that recipient countries could obtain equipment from the cheapest sources. Another member stated that starting the Fund's operations on the basis recommended by the Administrator constituted a multilateral channel for bilateral assistance.

280. Another member complimented the Administrator for the pragmatic manner in which he had approached a difficult and vexing problem. He supported the Administrator's recommendation and hoped that it might result in wider operations and eventually in greater capability of the Fund.

281. Another member warned of a possible danger that the suggested method of operation might inadvertently convert the Fund into an ad hoc trade promotion mechanism. However, he supported the Administrator's recommendation and expressed the view that the Capital Development Fund might eventually prove to be a useful instrument in follow-up investment. He felt that such a need existed, pointing out that the World Bank did not provide assistance for follow-up investment on all UNDP-assisted projects.

Observations of the Administration

282. The Assistant Administrator and Associate Director of the Bureau of Operations and Programming commented on the points brought out by several members. He mentioned specifically that there did exist a bilateral element in the suggested method of operation, but stated that there was such a bilateral element in operations of many United Nations agencies. However, he explained that equipment made available by one developing country against its pledge to the Fund would be made available to the Capital Development Fund by that country. Then the Administrator would negotiate with the country interested in the equipment, the terms under which the equipment would be transferred to the beneficiary country on a long-term, low interest loan agreement, repayable in local currency. Furthermore, the UNDP would be performing a very necessary function in bringing the supplying country and the beneficiary country together. In other words, it would be the function of the Fund to match the need with the availability of equipment.

283. He advised the Council that the Administrator had consulted the regional banks concerning possible participation of the United Nations Capital Development Fund in their lending operations and that the banks, while expressing interest, had indicated that the Fund's input would be too minimal in the light of its limited resources.

284. He recalled that the promoters of the Fund did not exclude bilateral aid. Since the regional banks were reticent, the Administrator had no alternative to exploring bilateral sources.

285. At the conclusion of the discussion, the Administrator assured the Council that no approach was being neglected in searching for the best ways of utilizing the existing resources of the Fund, which were 90 per cent in non-convertible currencies. He stated that he had proceeded to do this in a realistic way, recognizing that large operations were impossible at present with such limited resources. The idea of operation of a "third window", whether within or without the UNDP, was unrealistic without a base of some \$50 million.

Decision of the Governing Council

286. At its 168th meeting, following the discussion, the Governing Council took the following action:

"The Council

"(a) Takes note of the progress report by the Administrator, acting as Managing Director (DP/L.111), and the views expressed by the members of the Council;

"(b) Reaffirms its decision at its seventh session to proceed as soon as possible with the initiation of the Fund's operations, and in this connexion agreed that as an interim measure one way of initiating operations would be as recommended by the Administrator in paragraphs 13 and 14 of document DP/L.111;

"(c) Requests the Administrator to continue on a wider basis his consultations with Governments and international organizations and explore wider possibilities for making the Fund operational and report to the Council at its ninth session."

287. The representative of Venezuela recalled that at the Governing Council's seventh session, his delegation had not associated itself with the Council's decision concerning the Capital Development Fund. Its position with respect to the establishment of the Capital Development Fund had remained unchanged and, without prejudice to the statements contained in document DP/L.111, his delegation would be unable to associate itself with the decision of the Council.

288. The representative of India said his delegation attached great importance to paragraph (c) of the decision. Although it agreed that the Administrator's proposals represented one way in which pledged contributions could be used, it did not consider that it was the only way or the best way. It therefore attached special importance to the idea that the Administrator should explore all possibilities of making wider use of contributions.

289. The representative of Canada said that his delegation was under instructions, for the reasons outlined on previous occasions, to dissociate itself from the decision just adopted on the United Nations Capital Development Fund.

CHAPTER IX

TECHNICAL ASSISTANCE ACTIVITIES OF THE UNITED NATIONS

290. Under item 9 of its agenda, the Governing Council considered the annual report of the Secretary-General (DP/RP/7 and Corr.1) which provided information on the main developments in the growth of the United Nations technical co-operation activities through 1968, and also statistical material relating to those activities (DP/RP/7/Add.1). In addition the Council had before it the detailed programme proposals for 1970, exclusive of those in the field of industrial development, to be financed under the regular United Nations budget (DP/RP/7/Add.2), the Secretary-General's related budget request for Part V (Technical Programmes) of the 1970 initial budget estimates (DP/RP/7/Add.3), the Secretary-General's report on programme recommendations emanating from other bodies which could affect the use of technical assistance resources (DP/RP/7/Add.4 and 6), and the Secretary-General's information paper on actions taken by the Industrial Development Board at its third session (DP/RP/7/Add.5).

Report by the Secretary-General

291. In 1968 obligations against field operations continued to increase, reaching the sum of \$46.6 million, including activities under the regular programme of \$6.4 million. This total compared with \$40.3 million in 1967 and \$35.9 million in 1966. The major increase from year to year related to increased expenditure in the Special Fund sector.

292. The percentage distribution by geographical region was: Africa 35 per cent, the Americas 22.6 per cent, Asia and the Far East 28.5 per cent, Europe 5.7 per cent, Middle East 4.5 per cent and interregional 3.7 per cent.

293. The percentage distribution of the 1968 total by major fields of activity was: economic development 75.5 per cent, social development 14.3 per cent, public administration 8.0 per cent and human rights, narcotic drugs and special programmes accounting for 2.2 per cent. Rather significant increases over 1967 occurred in social development and public administration, up 2.5 per cent and 1.2 per cent respectively.

294. Within the total United Nations activities, 2,256 experts coming from 100 countries served 108 developing countries and territories. A total of 1,821 individual fellowships were awarded to nationals of 124 countries and territories for study in eighty different host countries. In addition, 937 individuals from 128 countries and territories participated in various United Nations group training programmes with twenty-four different Governments providing host facilities.

295. In introducing the report of the Secretary-General, the Commissioner for Technical Co-operation mentioned that joint consultations of the United Nations and UNDP were directed toward improvement of the financial follow-up to Special Fund projects.

296. The Commissioner spoke of the plans under way to expand the role of the regional economic commissions and the United Nations Economic and Social Office in Beirut to include assistance to Resident Representatives and Governments in a systematic manner in the preparation of national technical co-operation programmes and projects.

297. The Commissioner informed the Council of the continuing collaboration with UNIDO and advised of the orderly transfer of programming and executing responsibilities to UNCTAD for projects in its fields of competence.

298. The Commissioner for Technical Co-operation referred to the 1970 regular programme proposals, which to some extent already reflected the application of the guidelines established for the regular programme as adopted by the seventh session of the Governing Council. He indicated that future programmes would, no doubt, show further increases in the social development and public administration fields as the guidelines took effect in influencing recipient Governments' development planning. The setting aside of an unallocated reserve of \$220,000 under the 1970 programme was proposed to provide for flexibility in meeting new and urgent Government requests, and to allow the Secretary-General to assist Governments in identifying and planning their total technical co-operation needs, in strengthening governmental internal co-ordination machinery and in evaluating on-going and completed projects to permit mid-course corrections and post-project follow-up.

Summary of discussion

299. There was a general expression of appreciation of the report and related information submitted by the Secretary-General. Most members continued to favour the retention of a regular programme under the regular budget of the United Nations. Some members restated their position that technical assistance activities should not be financed through the assessed budget but should be financed through voluntary contributions.

300. Disappointment was expressed by a number of members over the action taken by the Industrial Development Board at its third session to recommend the continuation of a separate section under Part V of the United Nations budget for industrial development, ^{25/} which ran contrary to the recommendation made by the Council at its seventh session. It was recognized that the issue would need to be resolved at the twenty-fifth session of the General Assembly.

301. Many members lauded the increase in activities in the fields of social development and public administration and expressed the hope that this upward trend would be further reflected in future programmes. One member spoke of the need to increase the resources available to the Human Rights Advisory Services Programme which did not lend itself to UNDP financing as well as to programmes of regional integration in international trade. Two members indicated the interest of their Governments in obtaining a higher level in the over-all appropriation for Part V (Technical Programmes).

^{25/} Ibid., Annex VII, resolution 23 (iii).

Observations of the Commissioner

302. In response to one member who remarked that the educational, scientific and technical training institutions available in his country were not sufficiently utilized by the United Nations programmes, the Commissioner informed the Council that special efforts were already being made to explore, with the appropriate Government authorities, the establishment of continuing training courses which would enhance the possibilities of using that country's national currency under the regular programme.

303. With reference to the ideas advanced by another member on mobilizing technical, institutional and professional resources outside the United Nations system for national and regional development, the Commissioner indicated that some steps had been taken in this direction but that further efforts would be made to tap such resources.

Decision of the Governing Council

304. At its 171st meeting, the Council considered a draft decision on the 1970 regular programme. One member stated that his Government's approval of the resolution being proposed for adoption by the Economic and Social Council should in no way be construed as a change in position regarding the increase in budgetary funds for industrial development purposes voted at the twenty-third session of the General Assembly.

305. The Council took the following decision:

"(a) Takes note of the report of the Secretary-General (DP/RP/7 and Corr.1 and Add. 1-6) and of the views expressed by the members of the Council during the discussion;

"(b) Approves that portion of the regular programme for 1970 set out in the report of the Secretary-General (DP/RP/7/Add.2) and recommends a level of appropriation of \$5,408,600;

"(c) Invites the attention of the Economic and Social Council to the action taken by the Industrial Development Board at its third session to recommend retention of a separate section under Part V of the United Nations budget for industrial development valued at \$1.5 million for 1970.

"(d) Recommends for adoption by the Economic and Social Council the following draft resolution:

"The Economic and Social Council,

"Having considered the report of the Governing Council of the United Nations Development Programme on its eighth session, including chapter IX thereof dealing with the United Nations programmes of technical co-operation,

"Noting that the Governing Council has approved the 1970 regular programme contained in the report of the Secretary-General and has recommended \$5,408,600 to be appropriated by the General Assembly,

"Noting further the action taken by the Industrial Development Board at its third session to recommend that the General Assembly appropriate the sum of \$1.5 million in respect of a separate section for industrial development under Part V of the United Nations budget,

"1. Endorses the action of the Governing Council of the United Nations Development Programme noted above;

"2. Recommends to the General Assembly at its twenty-fourth session that it take the budgetary action necessary for 1970."

CHAPTER X

INFORMATION PAPERS ON THE REGULAR PROGRAMMES OF TECHNICAL ASSISTANCE IN 1968 OF THE SPECIALIZED AGENCIES AND IAEA

306. Under item 11 of its agenda, the Governing Council had before it, in accordance with its request to be kept informed of the size and composition of regular programmes of technical assistance of the specialized agencies and IAEA,^{26/} summary statements submitted by ILO, UNESCO, WHO, WMO, IAEA and UNIDO (DP/L.106). The document also contained statements submitted by UNICEF and IBRD on programmes of a similar nature.

Decision of the Governing Council

307. At its 170th meeting, the Council took note of document DP/L.106.

^{26/} See Official Records of the Economic and Social Council, Forty-first Session, Supplement No. 11A, paras. 166-169.

CHAPTER XI

OTHER MATTERS

A. Common premises for the United Nations Organizations in India

308. The Administrator, at the 169th meeting, and the Director of the Financial Management and Administrative Policy Division, at the 169th and 171st meetings, recalled that the Council had reviewed this question at its seventh session and had authorized the Administrator to examine the matter further. ^{27/} Several members at that time had indicated that they had serious reservations regarding any proposal for use of UNDP funds for activities of the type envisaged. In the particular case under review, the Government of India had indicated willingness to provide the land free of cost and to pay half of the construction costs for a building to house offices of the United Nations organizations in New Delhi. The Secretary-General had asked the Administrator to explore with the Council ways in which UNDP could provide the necessary additional financing.

309. Since the seventh session further explorations had been carried out, but there were no new developments to report. The Government was unable to improve on its generous offer and no other financing possibilities had arisen. The Administrator was therefore asking the Council for a definitive expression of view, and in doing so he wished to secure as precise a response as possible to the following question: does the Council wish to hold fast to the rigid position of non-participation in the financing of common premises for United Nations organizations in countries where UNDP field offices are located, regardless of any special conditions which may exist? The Administrator stressed that, in his opinion, centralized common offices contributed toward unity in the system and represented a very important factor for co-ordination. If the Council were willing to consider the possibility of some form of UNDP participation in the particular case at hand, detailed studies could be undertaken with a view to furnishing a comprehensive report at a forthcoming session; otherwise, there would be no point in going forward with time-consuming and complicated studies.

Summary of discussion

310. A variety of views emerged during the discussion of the matter by the Council. Some members held that funds intended for direct development work should not be used for non-programme purposes of this kind, either in the form of loans or in the form of actual subsidies to meet building costs. One of these members thought that consideration of possibilities in this regard might conceivably take place at a later time, following a world-wide study of United Nations office building problems. Other members, while not necessarily endorsing any particular action in the case of India, expressed themselves as being in favour of giving sympathetic consideration to worth-while proposals of the kind under review,

^{27/} Ibid., Forty-seventh Session, document E/4609, paras. 209 to 212.

arising out of special situations and particular problems faced in the country concerned. These members felt that the general problem should be kept under study and they considered that the possibility of Council consideration of a detailed report at a future session should not be excluded.

Decision of the Governing Council

311. At its 171st meeting, the Council decided that the proposal for use of UNDP funds for the building of common premises in New Delhi should not be approved at this time.

B. Fund of the United Nations for the Development of West Irian (FUNDWI)

312. The Deputy Administrator, supplementing the information contained in document DP/L.104/Add.7 of 30 April 1969 with respect to FUNDWI, informed the Council that allocations made to agencies now exceeded \$10,000,000, an increase of \$4,000,000 since April when the report before the Council was written. Two Plans of Operation for projects had been signed - Air Transportation with ICAO as Executing Agency, and Vocational Training with ILO as Executing Agency, with allocations totalling \$4,900,000. The balance of \$5,100,000 had been allocated on the basis of requests from the Government of Indonesia for implementation of a survey mission's recommendations, and the draft Plans of Operation under negotiation. The projects could thus be given a head start before their formal commencement. Eleven project managers and twenty-five other project personnel were on duty and equipment worth more than \$3 million had been delivered or was being shipped. Twenty-one fellowship holders had completed their studies.

313. Describing West Irian as one of the least developed territories in which UNDP projects were operating, the Deputy Administrator pointed out that assisting the Government of Indonesia in developing the area presented a challenging task that was being approached with imagination and determined effort by FUNDWI and the executing agencies concerned, in co-operation with the technical departments of the Government. The unique features of FUNDWI could provide some useful prototypes and were breaking new ground in the UNDP sphere. Although it was only sixteen months since the Government agreed to release of the survey mission's report, the progress achieved to date enabled one to see the patterns emerging.

314. FUNDWI's foreign exchange resources of \$30 million were pledged by the Government of the Netherlands. About \$12 million was being used for repair and rehabilitation of infrastructure, including water, land and air transport, telecommunications, meteorology and the diesel-generated electric power supply. Revenue-producing activities in the fields of forestry, fisheries, agriculture and small-scale industries were being organized with foreseen foreign exchange expenditures, including investment, of about \$8 million. Expenditures of about \$4 million for education, vocational training and fellowships were planned, and about \$4 million for technical assistance, largely for on-the-job training in the fields mentioned above and public health. Projects were being carried out by the competent specialized agencies, for the most part under normal UNDP Special Fund sector procedures, and in a few cases as Technical Assistance sector projects.

315. Unique operations for agencies in the United Nations system would include FUNDWI equity capital investment in two developmental corporations. A West Irian Forest Industries Development Corporation was being established on a tripartite basis: the Government was contributing a forest resource of 500,000 hectares, FUNDWI was providing \$2 million of equity capital investment, and one or more foreign investors were being sought to invest \$2 million and provide management. Agreement with the Indonesian Government on the provisions for this corporation was reached in April 1969. The proposal and supporting documentation had recently been provided to ten timber firms which had previously indicated an interest in discussing such an investment. Earnings accruing to FUNDWI from its investment would be used for West Irian economic and social development, probably primarily channelled through the second body being established, the West Irian Joint Development Commission.

316. A second unusual United Nations venture was the establishment of a small loan agency, the West Irian Joint Development Commission, in which FUNDWI proposed to invest \$4 million, to be matched by an equal contribution in local currency by the Indonesian Government. A Government decree of 28 April 1969 created the Commission. Its detailed arrangements were now being worked out with the advice of a FUNDWI consultant. This development-financing agency, which could invest equity capital as well as make loans to business ventures, was expected to assist in such fields as processing agricultural products, fisheries, saw mills, surface transport, coastal and river shipping, and the production of consumer goods for local consumption.

317. Representatives of the Administrator of UNDP would sit on the Board of Directors of both Corporations.

318. Another unusual FUNDWI-financed project being carried out for more than six months by ILO, and the Government was reviving the primitive but highly artistic woodcarving among the Asmat people of the south-western coast, to be marketed for export through a form of co-operative organization.

319. Despite the progress made, the rate of implementation had been hampered by physical and logistical factors beyond the control of the UNDP/FUNDWI staff and the agencies. The shortage of shipping to the Asian region consequent to the closure of the Suez Canal had made it difficult to arrange transport of goods to West Irian, and it had been necessary to establish depots in Europe and Australia for the collection of equipment, supplies and materials in order to put together cargo inducements of 750 tons, with consequent delays in the implementation of projects with substantial equipment components. A shortage of housing for expert personnel had made it necessary to undertake a prefabricated housing project financed from FUNDWI contingency reserves. This was expected to make fifty houses available by September or October 1969. The limitation on the number of experts who could be accommodated also had a delaying effect on several projects.

320. In conclusion, the Deputy Administrator said that although, as a Funds-in-Trust operation, FUNDWI operations were not of the same immediate concern to the Council as project activities financed from UNDP funds, the Administrator would continue to advise the Council regularly about FUNDWI-financed activities.

CHAPTER XII

DATE AND PROVISIONAL AGENDA OF THE NINTH SESSION

321. At its 171st meeting, the Council decided to hold its ninth session at United Nations Headquarters for approximately six working days beginning on 19 January 1970.

322. At the same meeting the Council, in accordance with rule 8 of the rules of procedure, considered, under item 14 of its agenda, the draft provisional agenda for the ninth session.

323. The draft provisional agenda which was before the Council for consideration read as follows:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. UNDP(SF) programme recommendations of the Administrator:
 - (a) Consideration of individual projects of the UNDP(SF) programme in private meetings;
 - (b) Approval of UNDP(SF) programme recommendations;
 - (c) Report by the Administrator on pre-project activity.
5. UNDP(TA) programme:
 - (a) Revised estimates of resources and earmarkings for 1970;
 - (b) Approval of regional and inter-regional project recommendations of the Administrator;
 - (c) Report by the Administrator on country programmes;
 - (d) Report by the Administrator on regional and inter-regional projects approved for 1970;
 - (e) Approval of initial estimates of resources for 1971 and their distribution.
6. Financial matters:
 - (a) Contributions;
 - (b) Audit reports.
7. Administrative and budgetary matters:

Budget estimates for the Administrative and Programme Support Services of the UNDP for the year 1970.

8. Report of the Commissioner for the Capacity Study.
9. Information papers on action taken in 1969 by organs of the United Nations and related agencies on matters relating to the United Nations Development Programme.
10. United Nations Capital Development Fund.
11. United Nations regular programme of technical co-operation.
12. Date and provisional agenda for the tenth regular session of the Governing Council.
13. Other matters:

Trust Fund: Libya.
14. Draft report of the Governing Council to the forty-ninth session of the Economic and Social Council.

324. At its 171st meeting, following observations made by members of the Council, the draft provisional agenda contained above was approved, on the understanding that the Administrator would issue a provisional agenda with any appropriate revision prior to the opening of the ninth session of the Council.

ANNEXES

ANNEX I

List of delegations

MEMBERS OF THE GOVERNING COUNCIL

Algeria

Mrs. C. Sellami-Meslem,* Mr. Khelifa Lokmane**

Austria

Mrs. Erna Sailer,* Mr. Anton Zembsch**

Belgium

Mr. Edouard Decastiaux,* Mr. Willy Bittremieux,**
Count L. Cornet d'Eizius du Chenoy,*** Mrs. Sonja Gerlo***

Brazil

Mr. Antonio Patriota. (Second Vice-President),* Mr. Mario Augusto Santos**

Cameroon

Mr. J.B. Beleoken,* Mr. Eric Dikoko Quan**

Canada

Mr. Harry J. Hodder,* Mr. Raymond D. Lucas,***
Mr. Frederick G. Livingston,*** Mr. John C. Coleman***

Chile

Mr. Hernán Santa Cruz,* Mr. Hugo Cubillos,** Mr. Andrés Sosa,***
Mr. D. Carol Pinto***

Congo (Brazzaville)

Mr. Ekondy-Akale*

* Representative.

** Alternate Representative.

*** Adviser.

Czechoslovakia

Mr. Miroslav Kadlec,* Mr. Jiri Svab,** Mr. Milan Klima***

Federal Republic of Germany

Mr. Herbert Schwoerbel,* Mr. Heinrich Neufeldt,**
Mr. Jochen Holzer,*** Mr. Gerd Schaar***

Finland

Mr. Jaakko Iloniemi (First Vice-President),* Mr. Matti Kahiluoto,**
Mr. Tapani Brotherus,*** Mr. Björn Ekblom***

France

Mr. Maurice Viaud,* Mr. Jean-Claude Guisset,**
Mr. Jean Bidaut,*** Miss Nicole Courson***

India

Mr. Ashok Bambawale,* Mr. N. Krishnan,** Mr. M. Dubey**

Italy

Mr. Mario Franzí,* Miss Maria A. Cao Pinna,** Mr. Giovanni Scolamiero,**
Miss Fernanda Forcignanò,*** Mr. Francesco Strumia***

Japan

Mr. Takeshi Naito,* Mr. Yoshio Fujimoto,** Mr. Eiichi Uchida,***
Mr. Makoto Watanabe

Jordan

Mr. Ibrahim Zureikat*

Malaysia

Mr. Peter S. Lai,* Mr. Noor Adlan**

Mauritania

Mr. Mohamed El Moctar Bal*

Netherlands

Mr. Charles Rutten,* Mr. R.M.H. Koesoemo Joedo,**
Mr. Everts Bos,** Mr. J.E. Budelman***

* Representative.

** Alternate Representative.

*** Adviser.

Norway

Mr. Tormod P. Svennevig,* Mr. Magne Reed,** Mr. Paal Bog**

Pakistan

Mr. Agha Shahi (President),* Mr. Kamaluddin Ahmed**

Panama

Paraguay

Peru

Mr. Gabriel García Pike*

Poland

Mr. Antoni Czarkowski,* Mr. Josef Majcher,**
Mrs. Irena Hanzel,*** Mr. Mieczyslaw Gorajewski***

Romania

Mr. Nicolae Ecobescu,* Mr. Constantin Ene (Third Vice-President),**
Mr. Ion Goritza***

Senegal

Mr. Ibrahima Boye*

Sweden

Mr. Ernst Michanek,* Mr. Sixten Heppling,** Mr. Curt Lidgard,**
Mr. Ove Heyman,*** Mr. Hakan Granqvist,*** Mr. Frank Belfrage,***
Mr. Jan Frykholm***

Switzerland

Mr. Sigismund Marcuard,* Mr. Charles Steinhauslin,**
Mr. Jean Philippe Monnier***

Syrian Arab Republic

Mr. Mowafak Allaf,* Mr. Loutfi El-Attrash**

Thailand

Mr. Chatichai Choonhavan,* Mr. Klos Visessurakarn**

* Representative.

** Alternate Representative.

*** Adviser.

Union of Soviet Socialist Republics

Mr. V.A. Sergeev,* Mr. A.S. Malikov,** Mr. A.P. Kovalev,**
Mr. Y.P. Kharkevich,*** Mr. I. Makarov,*** Mrs. S. Krasilina***

United Arab Republic

Mr. Abdel-Halim Badawi (Rapporteur)*

United Kingdom of Great Britain and Northern Ireland

Mr. D. Williams,* Mr. R.N. Posnett,** Mr. B.T. Jordan,**
Mr. D.J. Easton***

United Republic of Tanzania

Mr. M.A. Fom,* Mr. C.M. Nyirabu,** Mr. M.A. Kivumbi**

United States of America

Mr. Glenn A. Olds,* Mr. Robert W. Kitchen,** Mr. John A. Bushnell,***
Mr. Harry L. Coburn,*** Mrs. Jeanne R. Ferst,*** Mr. Arnold Nestel,***
Mr. Colgate S. Prentice***

Venezuela

Mr. Andrés Aguilar,* Mr. Reinaldo Figueredo Planchart,**
Mr. Eduardo Soto Alvarez***

OBSERVERS FROM MEMBER STATES

Australia

Mr. W.N. Fisher

Bulgaria

Mr. Methodi Popov, Mr. Christo Kossev, Mr. Anton Baramov

China

Mr. Yen-chao Huang, Mr. Kuo-chu Tok

Cuba

Mr. Oscar García Fernández, Mr. Mario García Incháustegui,
Mr. Pedro Morales Carballo

* Representative.

** Alternate Representative.

*** Adviser.

Denmark

Mr. Jakob E. Larsen

Ethiopia

Ato Ghebrechidan Alula

Holy See

Father Henri de Riedmatten

Hungary

Mr. Jeno Nagy

Indonesia

Mr. M. Panggabean

Israel

Mr. Moshe Melamed

Ivory Coast

Mr. Bénié Nioupin, Mr. Amakon Thiemele

Kenya

Mr. Bruce McKenzie

Republic of Viet-Nam

Mr. Pham Van Trinh

Trinidad and Tobago

Mr. Mervyn Claxton, Mr. Trevor Spencer

Turkey

Mr. Uner Kirdar, Mr. Erten Kayaliday

Uruguay

Mr. Pedro Vidal Salaberry

Yugoslavia

Mr. B. Radovic

UNITED NATIONS SECRETARIAT

Department of Economic and Social Affairs

Mr. Victor Hoo, Commissioner for Technical Co-operation;
Miss Julia Henderson, Associate Commissioner for Technical
Co-operation and Director, Office of Technical Co-operation;
Mr. W. Goodkind, Deputy Director for Financial and Administrative
Management.

UNITED NATIONS BODIES

Office of the United Nations High Commissioner for Refugees

Mr. J. Colmar, Mr. J. Cuenod

United Nations Children's Fund

Mr. Victor Beermann

United Nations Conference on Trade and Development

Mr. Manuel Pérez Guerrero, Mr. Paul Berthoud

United Nations Development Programme

Mr. Paul G. Hoffman, Administrator;
Mr. David Owen, Deputy Administrator;
Mr. Myer Cohen, Assistant Administrator and Director,
Bureau of Operations and Programming;
Mr. Rajendra Coomaraswamy, Assistant Administrator and Director,
Bureau of External Relations, Evaluation and Reports;
Mr. Paul-Marc Henry, Assistant Administrator and Associate Director,
Bureau of Operations and Programming;
Mr. A. Vaidyanathan, Director, Bureau of Administrative Management
and Budget;
Mr. John A. Olver, Director, Division of Financial Management and
Administrative Policy, Bureau of Operations and Programming;
Mr. Georges Dumontet, Secretary of the Governing Council.

Commissioner for the Capacity Study: Sir Robert Jackson

United Nations Industrial Development Organization

Mr. S. Quijano Caballero, Mr. A. Saenger, Mr. E. Fernández Espinar

United Nations Institute for Training and Research

Mr. Ahmed Boumendjel

SPECIALIZED AGENCIES

International Labour Organisation

Mr. H.W. Quednau, Mr. A.G. Paul, Mr. L.F. Khitrov

Food and Agriculture Organization of the United Nations

Mr. Pierre Terver, Mr. Philippe Cochin

United Nations Educational, Scientific and Cultural Organization

Miss G. McKitterick

International Civil Aviation Organization

Mr. Helio Costa

World Health Organization

Dr. A. Bellerive, Miss B. Newton, Dr. A. Mochi

International Bank for Reconstruction and Development

Mr. Federico Consolo, Mr. Vincent J. Riley

International Monetary Fund

Mr. Gordon Williams, Mr. Edgar Jones

Universal Postal Union

Mr. S.N. Das Gupta

International Telecommunication Union

Mr. H. Ruud

World Meteorological Organization

Dr. H. Sebastian, Mr. K. Parthasarathy, Mr. R.S. Mikhail

Inter-Governmental Maritime Consultative Organization

Mr. Paul R. Drouilhet

INTERGOVERNMENTAL BODIES

Asian Development Bank

Mr. Howard Farrelly

Inter-American Development Bank

Mr. Juan Carlos Langlois

ANNEX II

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

DP/SF/R. s/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (Col. III)
1	Algeria	Rural Development in Eastern Algeria (ALG 22)	FAO	\$ 2,185,000	\$ 364,500	\$ 2,549,500	\$ 38,900
2	Argentina	Improvement of Navigation on the Parana River (ARG 31)	UN	1,238,000	844,000	2,082,000	48,300
3	Botswana	Co-operative Development Centre (BOT 3)	ILO	255,000	437,500	692,500	- a/
4	Brazil	Fishery Development Project (BRA 43)	FAO	3,610,000	1,203,200	4,813,200	139,200
5	Bulgaria	Assistance to the Nikola Poushkarov Institute of Soil Science (BUL 6)	FAO	8,272,000	1,041,000	9,313,000	77,200
6	Burundi	Burundi Development Bank, Bujumbura (BUL 6)	UN	39,000	375,100	414,100	42,500
7	Chad	Rural Development of the Ousadal, Abché (CHD 4)	ILO	300,000	347,700 ^{b/}	647,700	29,900
8	Chile	Water Resources Development in the Norte Grande (CHI 35)	UN	1,583,000	996,800	2,579,800	70,100
9	Chile	Milk Technology Institute, Universidad Austral de Chile (CHI 37)	FAO	990,000	920,600	1,910,600	94,500
10	Colombia	Transport and Urban Development Study, Bogota (COL 41)	IBRD	127,000	207,000	334,000	16,400
11	Ecuador	Survey of Metallic and Non-Metallic Minerals (Phase II) (ECU 26)	UN	238,000	622,900	860,900	49,900
12	El Salvador	Survey of Geothermal Resources (Phase II) (ELS 8)	UN	989,000	867,200	1,856,200	55,500
13	El Salvador	Faculty of Engineering, University of El Salvador (ELS 9)	UNESCO	330,000	197,600	527,600	11,900
14	Ethiopia	Supplementary Assistance in Strengthening the Awash Valley Authority (ETH 11)	FAO	47,000	95,700 ^{c/}	142,700	12,200

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

b/ Includes an amount of \$135,000 for preliminary operations under the Revolving Fund approved by the Governing Council at its fifth session in January 1968.

c/ An allocation of \$464,200 for this project was originally approved by the Special Fund's Governing Council at its fourteenth session in June 1965. (See document SF/R.11/Add.12). An initial supplementary earmarking of \$47,000 was approved at the seventh session of the Governing Council in January 1969 (see document DP/SF/R.7/Add.31).

DP/SF/R. \$/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council sawmarking	(IV) Estimated total cost of Project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council sawmarking (Col. III)
15	Ethiopia	Investigations of Geothermal Resources for Power Development (ETH 26)	UN	\$ 90,000	\$ 184,600	\$ 274,600	\$ 19,900
16	Ghana	Development of Cotton Production (GHA 29)	FAO	394,000	361,600 ^{d/}	755,600	31,000
17	Greece	Industrial Area and Industrial Estate near Salonika (GRE 26)	UNIDO	2,494,000	711,300	3,205,300	63,900
18	Guinea	Reorganization of the Port of Conakry (GUI 15)	ILD	992,000	491,900	1,483,900	27,200
19	Hungary	Irrigated Agriculture in the Tisza River Valley (HUN 3)	FAO	250,000	300,900	550,900	23,000
20	India	Post-Graduate Agricultural Education and Research (IND 88)	UNESCO	7,420,000	470,900	7,890,900	44,600
21	Indonesia	Land and Water Resources Development in Southeastern Sumatra (INS 16)	FAO	706,000	1,272,700	1,978,700	91,400
22	Iran	Institute of Standards and Industrial Research, Karaj (IRA 34)	UNIDO	3,182,000	951,700	4,133,700	69,900
23	Iraq	Fruit and Vegetable Improvement (IRQ 22)	FAO	360,000	117,000	477,000	12,300
24	Iraq	Air Navigation and Aeronautical Meteorological Facilities, Baghdad (IRQ 26)	ICAO	713,000	216,500	929,500	22,700
25	Ivory Coast	Institute of Pedagogical Research, Abidjan (IVC 15)	UNESCO	558,000	418,500	976,500	43,600
26	Ivory Coast	Mineral Survey in the South-West (Phase II) (IVC 19)	UN	899,000	961,000	1,860,000	94,500
27	Jordan	Agricultural Marketing (Phase II) (JOR 22)	FAO	344,000	587,600	931,600	45,000
28	Kenya	Supplementary Assistance to the Kenya Polytechnic, Nairobi (KEN 2)	UNESCO	1,913,000	919,400 ^{g/}	2,832,400	96,800

^{d/} Includes an amount of \$78,400 for preliminary operations under the Revolving Fund approved by the Governing Council at its seventh session in January 1969.

^{g/} An allocation of \$1,423,100 for this project was originally approved by the Special Fund's Governing Council at its eighth session in May 1962. See document SF/R.5/Add.36.

DP/SF/R.8/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of Project	(V) Estimate of local operating costs to be paid by Government (s) and included in Governing Council earmarking (Col. III)
29	Korea	Regional Physical Planning (MOR 29)	UN	\$ 470,000	\$ 621,000	\$ 1,091,000	\$ 61,200
30	Libya	Centre for Industrial Development and Research, Tripoli (LIB 12)	UNIDO	5,366,000	880,200	6,246,200	94,800
31	Malagasy Republic	Supplementary Assistance to the Educational Training and Research Institutes (MAG 1)	UNESCO	19,000	419,400 ^{1/}	438,400	36,000
32	Malagasy Republic	National Vocational Training Programme (MAG 22)	ILO	499,000	471,000	970,000	40,900
33	Nigeria	Supplementary Assistance to the Hides and Skins Demonstration and Training Project (NIR 11)	FAO	400,000	294,500 ^{2/}	694,500	33,700
34	Panama	National Vocational Training Programme (PAN 18)	ILO	900,000	346,000	1,246,000	31,000
35	Peru	Management of Small Enterprises (FER 40)	ILO	36,000	88,900	124,900	^{2/}
36	Philippines	Metal Industry Development Centre, Manila (PHI 30)	UNIDO	1,000,000	913,600	1,913,600	81,300
37	Saudi Arabia	Centre for Applied Geology, College of Petroleum and Minerals, Jeddah (SAU 23)	UNESCO	1,357,000	902,900	2,259,900	102,900
38	Senegal	Bureau of Organization and Methods (SEN 15)	UN	39,000	238,500	277,500	23,900
39	People's Republic of Southern Yemen	Agricultural Demonstration and Training, El-Mod and Ghar (SOY 3)	FAO	330,000	465,700	795,700	^{1/}
40	Spain	Scientific Study of Water Resources in the Canary Islands (SPA 15)	UNESCO	525,000	666,400	1,191,400	60,500
41	Syrian Arab Republic	Centre for Housing and Construction, Damaerus (SYR 25)	UN	1,038,000	681,000	1,719,000	69,500
42	Thailand	Telecommunications Training, Test and Development Centre (Phase II) (THA 32)	ITU	928,000	608,800	1,536,800	69,400

^{1/} An allocation of \$1,435,200 for this project was originally approved by the Special Fund's Governing Council at its ninth session in January 1963. See document SF/R.6/Add.22.

^{2/} An allocation of \$461,500 for this project was originally approved by the Special Fund's Governing Council at its tenth session in June 1963. See document SF/R.7/Add.25.

^{3/} As the project will be executed in full outside the country, the Governing Council earmarking does not include an amount to be paid by the Government as a cash contribution towards local operating costs.

^{4/} The Administrator recommends, as an exceptional measure, that the Government's obligation to make a cash contribution towards local operating costs for this project should be waived.

DP/SF/R-8/ Add.	Country	Project title	Participating and Executing Agency	(II)		(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (Col. III)
				(I) Agency	Estimate of Government participation (counterpart contribution)			
43	Thailand	Development of the Northern Region (THA 33)	UN	\$ 264,000	\$ 349,100	\$ 613,100	\$ 30,300	
44	Togo	Fertiliser Use, Promotion, Demonstration and Production Schemes, Lomé (TOG 12)	UNIDO	941,000	944,900	1,885,900	30,500	
45	Turkey	Central Research and Training Institute for Hides, Skins and Leather, Istanbul (TUR 30)	FAO	926,000	978,800 ^{1/2}	1,904,800	88,100	
46	Uganda	Uganda Technical College, Kampala (Phase II) (UGA 14)	UNESCO	2,117,000	762,600	2,879,600	79,400	
47*		*No document will be issued under this symbol						
48	United Arab Republic	Textile Quality Control Centres, Alexandria (UAR 62)	UNIDO	800,000	745,400	1,545,400	49,100	
49	United Arab Republic	Technical Training and Research Institute for Telecommunications, Cairo (UAR 77)	ITU	2,651,000	952,200	3,603,200	52,900	
50	Venezuela	Programming for Maintenance and Engineering of Health Care Facilities (VEN 24)	WHO	1,050,000	358,300	1,408,300	37,500	
51	Zambia	Development of Small-Scale Industries (ZAM 6)	UNIDO	294,000	608,400	902,400	66,400	
52	Regional (Cameroon, Chad, Niger and Nigeria)	Supplementary Assistance to the Study of Water Resources in the Chad Basin (REG 71)	UNESCO	- ^{1/2}	55,700 ^{1/2}	55,700	- ^{1/2}	
53	Regional (Afghanistan, Cambodia, Indonesia, Laos, Nepal, Pakistan, and Thailand)	Feasibility Studies for the Asian Telecommunication Network (REG 164)	ITU	42,000	476,500	518,500	39,200	

^{1/2} Includes an amount of \$41,500 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

^{1/3} This supplementary allocation is to provide for activities which will not be implemented in the recipient countries. Accordingly, no additional counterpart contribution is required from the Governments.

^{2/} An allocation of \$369,100 for this project was originally approved by the Special Fund's Governing Council at its fourteenth session in June 1965.

^{3/} See document SF/R.11/Add.43.

^{4/} As the project will be executed in full outside the country, the Governing Council earmarking does not include an amount to be paid by the Governments as a cash contribution towards local operating costs.

DP/SF/R.8/ Add.	Country	Project title	(I) Participating and Executing Agency	(II)		(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (Col. III)
				Estimate of Government participation (counterpart contribution)	(United States dollars)			
54	Regional (Congo (Brazza- ville), Gabon, Chad, Central African Republic)	Realignment of the Congo-Ocean Railway (REG 167)	IBRD	\$ 132,000	\$ 829,000	\$ 961,000	\$ 54,000	
55	Regional	Caribbean Fishery Development Project (Phase II) (REG 189)	FAO	492,000	1,315,700	1,807,700	127,500	
56	Regional	Asian Institute for Economic Development and Planning, Bangkok (Phase II) (REG 190)	UN	730,400	3,465,500 ^{B/}	4,195,900	294,000	
57	Kenya	Beef Industry Development, Nakuru (Phase II) (KEN 20)	FAO	555,000	832,100	1,387,100	89,000	
58	Pakistan	Assistance to the University of Islamabad (PAK 47)	UNESCO	800,000	233,000	1,033,000	18,400	
				\$65,219,400	\$36,991,500	\$102,210,900	\$3,127,700	

^{B/} Included in the earmarking is an amount of \$531,500 which will be paid as a contribution in cash by the participating Governments.

ANNEX J.II

PROCEDURES FOR IMPLEMENTATION OF NEW ARRANGEMENTS FOR REGIONAL AND INTER-REGIONAL TECHNICAL ASSISTANCE PROJECTS: DRAFT RESOLUTION RECOMMENDED FOR ADOPTION BY THE ECONOMIC AND SOCIAL COUNCIL

The Economic and Social Council,

Recalling its resolution 1250 (XLIII) of 26 July 1967 and General Assembly resolution 2279 (XXII) of 4 December 1967 concerning the introduction of revised programming procedures for the Technical Assistance component of the United Nations Development Programme,

Recalling the decision taken by the Governing Council of the United Nations Development Programme at its sixth session to eliminate the system of agency targets for regional and inter-regional projects, and believing that this decision should facilitate the planning of assistance on a regional basis,

Taking into account the decision of the Governing Council at its eighth session concerning procedures for implementation of new arrangements for regional and inter-regional technical assistance projects,

1. Decides that the following procedures relating to regional and inter-regional projects under the Technical Assistance component of the United Nations Development Programme should supersede those specified for this purpose in the annex to Council resolution 1250 (XLIII) for the planning, approval and implementation of the programme beginning with the year 1971:

(a) The Governing Council shall review the Administrator's assessment of the priority for regional and inter-regional projects and determine each year a single global target for the following year and authorize earmarkings for the current year corresponding to the global amount available for regional and inter-regional projects;

(b) The Governing Council shall fix the limit within which the Administrator is authorized to review and approve regional and inter-regional projects or their extension if the anticipated cumulative cost of the project including its eventual extension is within the limit fixed by the Council; this authorization shall be in force with immediate effect;

(c) The Governing Council shall review and approve regional and inter-regional projects or the extension of such projects recommended by the Administrator after consultation with the Inter-Agency Consultative Board, if the anticipated cumulative cost of the project including its eventual extension is over the limit fixed by the Governing Council;

(d) Savings accruing on regional and inter-regional projects during the course of the operational year and any balance of the amount earmarked by the Governing Council remaining unprogrammed at the end of the programme year should

be surrendered to the central Technical Assistance account and added to the general resources available for the Technical Assistance programme for the ensuing year;

2. Recommends to the General Assembly the adoption of the following draft resolution:

"The General Assembly,

"Having considered the report of the Governing Council of the United Nations Development Programme and Economic and Social Council resolution... on revised programming procedures for regional and inter-regional projects for the Technical Assistance component of the Programme,

"Recalling its resolution 2279 (XXII) of 4 December 1967 concerning the new programming procedures for the Technical Assistance component of the Programme,

"Approves the procedures recommended by the Governing Council of the United Nations Development Programme for regional and inter-regional projects under the Technical Assistance component of the Programme beginning with the year 1971."