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Chairman: Mr. Richard M. AKWEI (Ghana).

AGENDA ITEM 44

Operational activities for development (concluded)  
 (A/7203, chap. XII, sect. A, B and C):

- (a) Activities of the United Nations Development Programme: report of the Governing Council (A/7279, E/4451, E/4545);
- (b) Activities undertaken by the Secretary-General (A/7252 and Add.1)

1. Mr. LYNCH (New Zealand) said that his delegation had followed very closely the work of the Governing Council at its fifth and sixth sessions. At the 1217th meeting, the Administrator of the United Nations Development Programme (UNDP) had described the steady expansion of the Programme's operations. New Zealand was particularly gratified to observe the spread of those activities into the South Pacific area. One of the most encouraging aspects of that development had been the close and continuing collaboration which had evolved between UNDP and the South Pacific Commission.

2. His delegation had no detailed comments to make with respect to the various policy decisions made by the Governing Council of UNDP concerning, for example, the provision of operation personnel (see E/4451, para. 164), the role of Resident Representatives (*ibid.*, paras. 260-267) or the guide-lines with regard to the technical assistance regional programme (see E/4545, para. 83). Those decisions appeared to be well conceived and should enable the Programme to respond more effectively to the challenges it would be asked to meet during the next Development Decade. His delegation welcomed the study on capacity, headed by Sir Robert Jackson (*ibid.*, paras. 178-188), and supported the steps taken during the year to promote follow-up investment for Special Fund (UNDP) projects (*ibid.*, paras. 197-223). It followed that the New Zealand delegation recognized the need to expand the Programme by additional resources. In that connexion,

it was particularly heartening to note that the prospects for attaining the \$200 million target in 1969 were very bright.

3. His delegation reiterated its support for the regular programme of technical co-operation. The participation of all Member States in that programme was an expression of the collective responsibility of the international community for development in all its aspects. Moreover, the programme enabled the United Nations to respond more speedily to new needs. As a member of the Economic Commission for Asia and the Far East (ECAFE), New Zealand was aware of its importance for the technical assistance activities of the regional economic commissions. The effectiveness of the regular programme had, of course, been inhibited by rising costs. The study on the funding of the regular programme was therefore awaited with interest. In the meantime, the present level of the programme should be retained for one more year.

4. Mr. BATYUK (Ukrainian Soviet Socialist Republic) agreed that UNDP could be defined as a catalyst for the mobilization of national and international resources. However, that definition, proposed by the Administrator of the Programme, was only a statement of the work to be done. UNDP was not yet a catalyst of development: it should become one. Since needs exceeded the possibilities for implementation, it was essential to make the best use of the means available to technical assistance programmes in order to promote the development of the different branches of the developing countries' economies. It was necessary to have a clear idea of the goal pursued if there was to be no waste of resources. The aim of the Programme was to utilize voluntary contributions to accelerate rates of economic development by all available means. On the threshold of the second Development Decade, an evaluation should be made of the effectiveness of the components of the Programme.

5. At present, UNDP was concerned mainly with pre-investment activities. But it was not sufficient to prepare a country to strengthen its economy in order to solve its problems. If UNDP projects were not followed up by investments, the resources expended would have been squandered. Care should also be taken to ensure that the Programme selected projects in fields which suited the interests of the developing countries and not just those of the investors. The Programme should not be transformed into a body for evaluating projects from the point of view of their profitability for the developed capitalist countries. The Administrator had said that in many sectors there was a considerable lack of "bankable projects". He should have said rather "projects which the banks wished to finance". When, after the execution of pre-investment

projects, banks and other financiers had to choose among the projects, the fact of the matter was that the interests of the financiers prevailed. It followed that UNDP itself became subservient to those interests and only faintly reflected the interests of the developing countries. His delegation was not opposed to essential pre-investment activities, but it was not enough to lay the foundations without subsequently building on them. No Government or company would tolerate a situation in which, out of four projects started, only one was completed.

6. Furthermore, the proportion of resources used for industrial development was very small. Like others, the delegation of the Ukrainian SSR had actively supported the developing countries' proposal that the resources allocated by UNDP to industrial development should be increased. The resources so far made available to the United Nations Industrial Development Organization (UNIDO) by UNDP were inadequate.

7. His delegation was categorically opposed to the adoption of any measures by UNDP for the benefit of countries which engaged in aggressive activities. Countries which used their limited resources for aggression deserved no assistance from the United Nations system.

8. The establishment by UNDP of pilot enterprises could be a useful basis for the Programme's investment activities and enhance the effectiveness of United Nations technical assistance. Approved projects should be based on the economic interests of the developing countries and should fully take into account their national development plans. Such an approach could only strengthen UNDP's contribution to the solution of the fundamental problems of economic development.

9. Unlike administrative overhead, operational expenditure could in most cases be effected in the currency of the countries executing the orders, or of the countries receiving the assistance. Non-convertible currencies could be used for operational assistance to a great extent. The Ukrainian SSR, like several other countries, contributed to UNDP and to the regular programme in non-convertible currency. It was possible to utilize such contributions to the full if the term "convertibility" was correctly interpreted, and indeed that was necessary. It was possible to convert the "non-convertible" rouble into specific assistance projects, into enterprises and equipment, etc. The contribution of the Ukrainian SSR was not fully utilized for reasons which had nothing to do with the type of currency used for the contribution but were the result of certain tendencies in the administration of the Programme's projects.

10. With regard to the regular programme of technical assistance, he drew attention to the irregular practice of financing operational technical assistance activities from the regular budget of the United Nations. Under Article 17 of the Charter of the United Nations, the regular budget only provided for the financing of administrative expenses and should not be used to finance the operational programmes under the technical assistance programme. Each Government was free to determine the amount of its contribution to technical assistance on a voluntary basis. Attempts to maintain at all costs that contributions to the regular

programme were obligatory only made it more difficult to accumulate the resources required for the execution of its projects.

11. The network of the specialized agencies now covered all fields of activity. The United Nations itself was not a specialized agency and should therefore not involve itself in operational assistance. The delegation of the Ukrainian SSR was convinced, as it always had been, that the regular programme of technical assistance should be separated from the budget of the United Nations and that matters relating to the financing of the development programme should be considered only in the context of UNDP.

12. Mr. LOUYA (Democratic Republic of the Congo) expressed his delegation's satisfaction with the broad scope of UNDP's activities, which should be interpreted as a sign of the increasing role played by the Programme in providing multilateral assistance and of the closer co-operation between UNDP and recipient countries and executing agencies.

13. The expansion of UNDP's activities unquestionably reflected the confidence which the developing countries placed in it, in their efforts to give their peoples the dignity, honour and prosperity to which they aspired.

14. His delegation was happy to note that the activities relating to agriculture and training had not been curtailed. It also took note of the Administrator's observations concerning the desire of the Administration of UNDP to embark more specifically on a policy of promoting the preparation of projects which would bring the Programme's activities nearer the stage at which decisions could be taken on investments. It endorsed the decision, taken by the Economic and Social Council at its forty-fifth session, authorizing UNDP to continue to provide operational personnel for the developing countries.<sup>1/</sup>

15. Generally speaking, education and training always took priority in the distribution of projects, and that seemed to accord with the urgent needs of the developing countries. Distribution by economic sectors brought out the fact that the applicant countries attached particular importance to agriculture. His delegation was pleased to note that most of UNDP activities were devoted to agricultural projects. He was also happy to see that Africa was still the recipient of the greatest number of projects. The political upheavals which had recently occurred in some African countries had been caused by their economic and social difficulties and the international community had a responsibility under the Charter of the United Nations to ensure their development.

16. Pending disarmament, there was an urgent need for the donor countries to increase substantially their contributions to UNDP and for the Administrator of the Programme to increase the number of projects in Africa, especially those which might have an immediate impact on national development programmes.

17. At present, eight Special Fund (UNDP) projects were under way in the Congo, all concerned with training and education. The choice of priorities had

<sup>1/</sup> See Official Records of the Economic and Social Council, Forty-fifth Session, 1550th meeting.

been dictated by the imperatives of government policy, the aims of which were structural reform, decolonization and human advancement. ILO assistance had within several months filled the gap left by the departure of foreign technicians. That assistance had been expanded under a Special Fund project which was one of the most significant achievements of the United Nations in the Congo. A vocational training and productivity institute had been set up to train teachers in several technical fields. His delegation wished to pay a special tribute to the ILO technicians and experts whose co-operation in carrying out the project had made it a success. It was in education, however, that the most spectacular achievements had been made in the Congo with the co-operation of the Special Fund component of UNDP and UNESCO. His Government attached special importance to two projects—the Civil Aviation Training Institute and the Meteorology Training Centre—in the Congo which had been in existence since 1961 and had undergone considerable expansion with the help of the Special Fund component of UNDP and the International Civil Aviation Organization.

18. The Special Fund component of UNDP had not executed any industrial project in the Congo. His delegation felt, however, that UNIDO and UNDP, which made a relatively modest contribution to the industrial development of the developing countries, should intensify their efforts to prepare and initiate industrial projects.

19. In conclusion, he paid a tribute to the co-operation which his country had always received from the experts of the United Nations and the specialized agencies. Thanks to the pre-investment and technical assistance operations which had been carried out there, the Congo had reached the point where investment proper was essential for further harmonious economic and social development.

20. Mr. ABE (Japan) said that the statements made at the 1217th meeting by the Administrator of UNDP and the Commissioner for Technical Co-operation had again demonstrated the need for operational development activities. His delegation attached special importance to two particular points in the reports submitted for the Committee's consideration: first, the recognition of the vital importance of pre-investment and technical assistance, and, secondly, the ways in which pre-investment and technical assistance could be combined to promote investment proper. Development was not possible without pre-investment and technical assistance. The inadequacy of foreign aid had been the subject of criticism and complaints, which were justified to a certain extent; but it was nevertheless true that, in many cases, the lack of preliminary surveys had caused money and energy to be wasted, thereby retarding development. Surveys of pre-investment and technical assistance were therefore destined to play a key role in the development of developing countries. So far as the right combination of pre-investment and technical assistance with actual investments was concerned, his delegation deemed it necessary first to determine priority areas among UNDP's various fields of activity. While the final responsibility for determining project priorities rested with Governments, that should not pre-

clude the Governing Council of UNDP, the Economic and Social Council or the General Assembly from laying down guide-lines for UNDP activities.

21. With respect to priority areas, his delegation noted that, during 1967, nearly 33 per cent of UNDP's expenditure had been allocated to agricultural development projects. Agricultural development should be concurrent with industrial development, because agriculture was a key economic sector, not only as a source of food for the population, but also as a market for industrial products. The countries of Asia and Africa, in particular, were often obliged to spend a large part of their scarce foreign exchange on food imports. Since agriculture was characterized by traditional methods of production, it could only be modernized by a continued and sustained effort. It was to be hoped, therefore, that UNDP would continue to give high priority to agricultural projects, even if they did not produce immediate results.

22. In many cases, the promotion of industrialization was the way to achieve rapid and sustained economic growth. Industrial development projects must take into account the availability of financial resources, raw materials and human resources and, in particular, the marketability of the product. His delegation hoped in future to see a greater number of sound industrial projects, so that UNIDO could play a more active role within the framework of UNDP.

23. With respect to the geographical distribution of the projects, it was disquieting to note that in the last three years the share of the Middle East, Asia, and the Far East in UNDP's total expenditure had greatly declined by comparison with other areas. As the Minister for Foreign Affairs of Japan had stated in the General Assembly (see 1682nd plenary meeting, para. 32), the average amount of aid per capita received by Asians from 1964 to 1966 had been \$3.1 per year as compared to \$5.7 in Africa and \$4.3 in Latin America. His delegation earnestly hoped that that imbalance would be rectified in the very near future.

24. On the threshold of the second Development Decade, the need to increase the effectiveness of UNDP was more urgent than ever. That problem must be tackled on two fronts. First, the financial resources available to UNDP must be augmented and, secondly, the efficiency of its work must be improved. It was to be hoped that the developed countries would make every effort to increase their contributions to UNDP, but self-restraint on the part of the relatively developed countries in submitting requests for assistance might help to alleviate the financial difficulties of the Programme. Because of its budgetary procedures, his Government had not yet been able to announce the amount of its contribution, but it would do its best to increase its contribution. However, though an expansion of UNDP's financial resources was most desirable, it went without saying that the available human and financial resources should be used more efficiently. In that connexion, the decision to have Sir Robert Jackson undertake a capacity study was timely. The time had come to review structures, procedures and methods.

25. His delegation supported the regular programme of technical assistance, which had the advantage of being flexible and of quickly meeting the developing countries' needs for assistance. Furthermore, the projects executed under that programme very often developed into UNDP projects. For those reasons, his delegation supported the continuation of the regular programme. However, since greater coherence between the regular programme and UNDP would enhance the over-all efficiency of United Nations technical co-operation activities, his delegation was looking forward to hearing the Secretary-General's report on the role of the regular programme and its relationship to UNDP.

26. Mr. POPA (Romania) said that United Nations operational activities had developed and that the forms of assistance and methods of work had been adapted to the various problems. His delegation was glad to see the impressive results obtained by UNDP, which played a central part in that field.

27. Fully aware as it was of the fact that operational activities represented a complex and many-sided process, Romania intended to participate, as far as it was able, in the Programme's activities. In 1968 it had increased its financial contribution to the Programme, for the sixth consecutive year. The interest which it attached to the activities of the United Nations in the operational field stemmed from one of the fundamental guide-lines of its foreign policy, namely, the promotion of economic, scientific and technical co-operation with all countries based on the observance of the principles of independence, national sovereignty, non-interference in internal affairs, equality of rights and mutual advantage.

28. In spite of its limited financial resources, UNDP had proved an efficient instrument for the promotion of international co-operation for purposes of development. The magnitude of its activities was illustrated by the fact that 151 new projects had been approved under the Special Fund component of UNDP, bringing the total to 925 for a total cost of \$2,226 million. It was particularly satisfactory to note that 597 Special Fund (UNDP) projects were in the agricultural and industrial fields. His delegation considered, however, that the number of industrial projects should be increased. In that connexion, he could not but note that, while the Governing Council had approved twenty-two projects in that field at its fifth session, it had approved only five at its sixth session. It was to be hoped that that disparity was not the beginning of a trend.

29. It was widely accepted that the growth and diversification of a national economy required accelerated training of national personnel. In that context, it was particularly satisfactory to note that that aspect of development had been a matter of concern to UNDP, which had launched 330 training projects. Another reason for optimism was the decision by the Governing Council to appoint a panel of senior financial advisers to study the question of follow-up investment (see E/4545, para. 202).

30. His delegation thought, moreover, that those concerned with project execution should give particular consideration to widening the basis of recruit-

ment. That would make it possible for developing countries to avail themselves of skills acquired in conditions that were most similar to their own. That consideration applied equally to the acquisition of equipment and the selection of sub-contractors. Romania was ready to supply experts and equipment for the execution of certain UNDP projects in fields in which it had accumulated some positive experience.

31. Mr. GOLDSCHMIDT (United States of America) expressed his appreciation of the excellent reports submitted to the Committee on the item under discussion. The statements of the UNDP Administrator and the Commissioner for Technical Co-operation (see 1217th meeting) had revealed the orders of magnitude required to ensure a second decade of progress and not of stagnation. That conviction was further strengthened by the eminent qualities and unlimited dedication of those in charge of the work.

32. The number of projects authorized by the UNDP Governing Council was an indication of the extraordinary success of the Programme. The result of the Pledging Conference, during which some fifty developing countries had announced increased contributions was a further indication. He regretted that he was not yet in a position to announce the amount of the contribution that his Government would make to the Programme.

33. In recent years, UNDP and the participating agencies had had to face certain problems of an administrative nature. That was why his delegation had proposed to the Governing Council that a study should be made of the capacity of the system to render assistance in relation to the needs of the developing countries. He welcomed the Council's decision to undertake such a study and hoped that the consultations which Sir Robert Jackson was to hold with the Administrative Committee on Co-ordination and the Enlarged Committee for Programme and Co-ordination would result in a harmonization of procedures and would increase the capacity of UNDP to supply assistance to the developing countries.

34. He had been interested in the statement made by the Swedish representative at the 1217th meeting. In view of the urgent need to entrust more industrial projects to UNIDO, the Swedish proposal (see 1217th meeting, para. 37) could usefully be studied in greater detail.

35. His delegation awaited with interest the report which the Secretary-General was to submit to the seventh session of the Governing Council concerning the regular technical assistance programme and its relationship with UNDP. It also welcomed the measures taker to strengthen the position of the Resident Representatives, particularly within the context of the second Development Decade. The importance of those officers could not be exaggerated as far as co-ordination in the field was concerned. With respect to co-ordination, 1968 had marked a welcome change in the direction of efforts, with increasing emphasis on co-operative efforts.

36. His delegation supported the decision taken by the Governing Council, at its fifth session (see E/4451, para. 164) and the Economic and Social Council, at

its forty-fifth session, to authorize UNDP to provide operational personnel.

37. Lastly, it was glad to note that the Governing Council of UNDP, at its sixth session, and the Economic and Social Council, at its forty-fifth session had approved the report by the Administrator of UNDP on the promotion of follow-up investment.<sup>2/</sup>

38. Mr. ABUSSAMH (Saudi Arabia) said that the subject before the Committee was one of the most important items on the agenda since it covered most of the practical efforts made by the United Nations in the economic and social field to raise the level of living of the two thirds of humanity which were still suffering from poverty, ignorance and disease. UNDP was essentially active in that field and his delegation had studied with interest the documentation on its activities, particularly the reports of the Governing Council of UNDP on its fifth and sixth sessions (see E/4451 and E/4545, respectively). It noted with satisfaction that the limited financial resources available to UNDP were being allocated and used in the best possible way in response to the huge number of requests from the developing countries, and that UNDP was concerning itself with such important topics as project evaluation and the effectiveness of assistance, follow-up investment, vocational training and co-operation with other institutions.

39. The Kingdom of Saudi Arabia was well aware of the part that UNDP could play in improving economic and social conditions and it was collaborating closely with the Programme as was shown by the fact that its financial contribution had increased sixfold within ten years. The first project undertaken under the Special Fund component of UNDP in Saudi Arabia had not begun until late 1961; by 1966, five projects had been implemented at a total cost of about \$18 million, two thirds of which had been paid by the Government, the remaining third being financed by the Special Fund component.

40. His delegation continued to support all constructive proposals designed to increase the efficiency and productivity of UNDP and thought that the role of UNDP would become even more important during the second Development Decade. It might be advisable for UNDP to define its responsibilities more precisely.

41. The future activities of the Programme should be envisaged in the light of past experience and of a comprehensive study of the present situation. The following points were worthy of consideration. First, the terms of reference of the Resident Representatives of UNDP should be revised and their offices strengthened. They should be kept well informed of work in progress in other countries of the region and in other regions of the world and of the implications of any changes for the programme as a whole. UNDP should exercise considerable flexibility in programming and implementing projects and in follow-up activities. The offices of the Resident Representatives could be very useful in that connexion. Secondly, a larger proportion of resources should be allocated to regional and interregional projects, particularly Special Fund (UNDP) projects. Thirdly, UNDP should accept no new responsibilities and should not expand

its activities until it was certain that the programme of work was not overloaded. Fourthly, more emphasis should be placed on the training of nationals from developing countries so that the number of experts could be reduced to a minimum. Fifthly, it was important that the closest co-operation and co-ordination should be maintained between UNDP and other agencies dealing with development plans, whether within or outside the United Nations family, so as to obtain the maximum harmonization of working programmes and to avoid delay and duplication. Lastly, without the sincere collaboration of all Member States, particularly the developing countries, the efforts made by the United Nations would be in vain. It would perhaps be useful if UNDP could draw the attention of Member States to that fact, which was sometimes forgotten.

42. If a serious attempt was to be made to improve the existing situation, the task would have to be tackled with confidence and courage. The obstacles facing UNDP were not only material ones. There was also an "invisible" part of the problem which should be taken into account in the early stages of implementing development programmes, for otherwise those programmes were doomed to failure. A number of questions inevitably arose concerning, in particular, the role of UNDP, the co-operation which should exist between agencies of the United Nations family in order to support the efforts made in that field, the moral obligations of both developed and developing countries and so forth.

43. UNDP found its activities handicapped by a lack of adequate resources, which was, of course, the chronic weakness of all United Nations projects. The activities of the Programme, although satisfactory, were far from commensurate with the needs and requests of the developing countries. In fact, the funds required for 1970 had been estimated at twice those available for 1968. Industrialized countries should therefore be prepared to make a generous increase in their contributions so that UNDP might carry out its programme and play the part expected of it in the second Development Decade.

44. Mr. BORSHCHEVSKY (Byelorussian Soviet Socialist Republic) said that the Programme's activities should be studied in the light of the requirements of the second Development Decade. Development should be based on national plans and each country should work out a strategy and priorities for its plans. The Programme's activities should be directed accordingly. Much more attention should be given to the development and strengthening of the public sector, the expansion of national planning services and the creation of an industrial basis taking into account the requirements of each country.

45. His country was ready to give more active assistance to the developing countries through the Programme. Unfortunately, in many respects, the decision did not rest with it. The Byelorussian SSR annual contribution to the Programme amounted to 135,000 roubles, of which 90,000 was for the Technical Assistance component of UNDP and 45,000 for the Special Fund component. On 1 August 1968, the sum unused had amounted to 414,000 roubles, which was equivalent to three years' contributions. Those unused re-

<sup>2/</sup> Document DP/L.73.

sources were steadily increasing, whereas they could be used to great effect in the country's national economy. It was to be hoped that the UNDP Administration would respond to the Byelorussian SSR's sincere desire to assist the developing countries in the context of the Programme by an equally sincere resolve to put the resources made available to it to effective use. His country was highly industrialized; its machinery and equipment were used in a great number of countries and students from thirty Asian, African and Latin American countries were studying in its universities and institutes, under bilateral agreements. It therefore had a right to request that steps should be taken immediately to rectify the lamentable situation which he had just described. A positive and convincing example of the use made of contributions in national currency was to be found in the Interregional Seminar on Industrial Location and Regional Development, held at Minsk in August 1968, which had been organized for technical assistance fellowship holders. The seminar had been organized by UNIDO in collaboration with the Byelorussian SSR Government.

46. There was another important defect in the Programme: its concentration on pre-investment activities. Pilot projects could admittedly prove useful. Generally speaking, there was not enough emphasis given to industrial projects. In 1967, the resources allocated to those projects had increased by only one seventh as against 1966. Moreover, the so-called industrial projects were not always strictly what that term implied.

47. The Japanese representative had rightly drawn attention to a most important question: the high level of administrative expenditure, which consumed nearly 25 per cent of the voluntary contributions. That did not reflect an efficient administration.

48. In many cases, pre-investment activities merely prepared the ground for private investment. The use of sub-contracts only encouraged the introduction of private capital in the economy of the developing countries. In 1967, eighty-one firms and organizations and two international enterprises had been awarded sub-contracts to the value of \$19 million, which was a 28 per cent increase over 1966. The majority of those sub-contracts and equipment orders had gone to the United States, the United Kingdom and the Federal Republic of Germany, while the possibilities offered by other countries had been relegated to the background.

49. It was alarming to see that, during the period 1959-1967, 460 of the 638 operational projects of the Special Fund had not been completed. Resources were being used far too slowly.

50. In 1967, 64 per cent of the Programme's expenditure had been for the services of experts. The number of experts in the field had risen to 6,900. Their recruitment in the Byelorussian SSR, however, had been most inadequate: during the past eight years, only three Byelorussian experts had worked for UNDP. The Byelorussian SSR had a supply of specialists in all fields, but so far nothing had been done to put the matter right. Considering the Programme's growing need for financial resources with a view to the activi-

ties of the second Development Decade, the discrimination exercised against the German Democratic Republic seemed particularly absurd.

51. In conclusion, he said that evaluation assessment activities were useful as long as they did not lead to interference in the domestic affairs of States. An assessment of the effectiveness of projects during their implementation made it possible to establish whether they were the surest way of promoting development.

52. Mr. LAI (Malaysia) said that, although his country as a member of the Governing Council of UNDP had already had occasion to express its views, he would like to make certain comments on the item before the Committee.

53. His country greatly appreciated the assistance which it was receiving through UNDP and the regular programme of technical assistance and to which the success of the national development plans was largely attributable. His country was aware of the importance of the operational activities of the United Nations for all the developing countries and welcomed the increase in the contributions announced to UNDP. On the other hand, it felt some anxiety about the static ceiling of \$6.4 million for the regular programme of technical co-operation. As was known, rising costs—which had increased by exactly 21 per cent since the present level had been established in 1962—had decreased the unit value of the assistance to developing countries. Furthermore, the field of activities of the regular programme had rightly been broadened. As the Commissioner for Technical Co-operation had stated (see 1217th meeting, para. 32), at the present time the amount required for the implementation of the category II projects amounted to more than half the resources available for the implementation of the category I projects. It was therefore quite clear that additional resources would be needed for the implementation of those projects.

54. The regular programme was of great importance for regional and interregional projects, since it was their main source of funds. It would be desirable, as the Japanese representative had pointed out, for UNDP to distribute its assistance on a more equitable basis and allocate a larger proportion of the available resources to the ECAFE region, where human resources abounded, but natural resources were scarce. The Governing Council of UNDP had admittedly taken an important decision when it had earmarked 17 per cent of the resources hitherto allocated to specialized agencies for regional programmes, but that decision had apparently not increased the total resources available for regional and interregional projects. Indeed, the whole purpose behind the decision had been to leave it to the Governments concerned, and not to the specialized agencies, to determine priorities. His delegation hoped that the Second Committee would recommend an increase—at least commensurate with the increased costs of experts—in the level of the regular programme.

55. His delegation was looking forward to the capacity study undertaken by Sir Robert Jackson. It would not be surprising if that study were to show that the capacity of UNDP was not fully utilized. It was to be hoped that it would help to streamline the UNDP

machinery and to prevent the frequent delays in the implementation of projects and the futile rivalries that still existed between different agencies.

56. Lastly, he stressed that it lay with the developing countries themselves to establish their priorities and that UNDP should not try to interfere in a matter which was within the exclusive competence of each State.

57. Mr. HADJIMILTIS (Cyprus) thought it would be no exaggeration to say that UNDP was at present the most important international body active in the field of pre-investment and technical assistance. All the countries which had recently freed themselves from colonialism found in the Programme the organized assistance which they needed in order to begin a new life. The hundreds of projects carried out with UNDP assistance in the most varied fields were evidence of the role which that body played in world development.

58. It was essential for UNDP to take part in formulating and successfully implementing the global strategy for the second Development Decade. The Programme's staff had acquired first-hand practical experience of the particular problems of each country by working for many years in the developing countries. UNDP helped most of the countries receiving assistance from it to make use of their latent human and cultural resources. For example, a total of \$530 million spent so far under the technical assistance component of UNDP had enabled 43,000 experts from more than one hundred different countries to assist approximately 150 countries and territories, and 46,000 fellowships had been awarded. His delegation thought that closer attention should be given to certain particularly important fields of activity, including education and training, food production, population control and industrial planning. Of course, individual countries could contribute to the success of the Programme by selecting targets in accordance with their needs, and in that regard close co-operation between UNDP and the recipient countries served to increase the chances of success.

59. His delegation hoped that UNDP would achieve the target of \$350 million for 1970 set by the Secretary-General in his annual report on the work of the Organization,<sup>3/</sup> and it wished to thank all those Governments which made financial contributions to the Programme.

60. Cyprus would never have been able to execute its own development programme without UNDP assistance, thanks to which it was now one of the developing countries which would achieve the growth target set for the 1960s. Technical assistance activities in Cyprus were many and varied. They included surveys on ground water and on mineral resources—the establishment of a higher technical institute, a hotel training institute and an agricultural research institute and a project for improving health services. A number of other development projects were under study or had been submitted for approval. UNDP experts had played an important role in preparing the Government's second five-year plan, which had set

an annual growth rate of approximately 7 per cent for the next five-year period.

61. In conclusion, he reaffirmed his Government's unqualified support for UNDP's constructive and humanitarian work.

62. Mr. VERCELES (Philippines) paid a tribute to the excellent work done by the Administrator of UNDP and the Commissioner for Technical Co-operation together with that able and dedicated staff, in the field of development and technical assistance. His delegation had absolute faith in UNDP, which, despite its limited resources, had since its establishment become a major multilateral financial institution and was at present the world's largest multilateral source of pre-investment assistance. As such, it deserved the unqualified support of all countries. In that connexion, he recalled that at the recent Pledging Conference, the Philippines, despite its financial difficulties, had undertaken to increase its contribution to UNDP by 75 per cent over 1968—from \$286,000 to \$500,000. It hoped by that gesture to set an example for some developed countries whose contributions were shrinking. The decision had been taken in spite of the fact that by comparison with other developing countries, the Philippines was not receiving UNDP assistance proportionate to its population and its needs. Over a three-year period, the Philippines, which was second in population, among some thirty developing countries, had made the sixth largest contribution to UNDP, but had ranked only nineteenth in the amount of benefits received from the Programme. In that connexion, he agreed with the representative of Japan that Asia as a whole, in comparison with Africa and Latin America, was not receiving from UNDP the assistance which it deserved in the light of the needs of its people who constituted almost half of the world's population. There should be a more realistic and equitable allocation of UNDP benefits to the developing countries.

63. His delegation also felt that social development was not being given its due share in the allocation of resources both by the UNDP and by the Office of Technical Co-operation. For example, under the Special Fund component of UNDP, 91 per cent of total resources had been allocated to economic development, leaving only 5 per cent for social development, while under the technical assistance component only 16 per cent was reserved for social development. That imbalance should be redressed as being inconsistent with the Charter of the United Nations, which spoke in its preamble of promoting social progress and better standards of life in larger freedom, and with the provisions of General Assembly resolution 2293 (XXII) on the world social situation and Economic and Social Council resolution 1139 (XLI), which recognized the interdependence of the economic and social aspects of development.

64. He recalled that the recent International Conference of Ministers Responsible for Social Welfare had made constructive recommendations and declared that social progress was one of the ultimate objectives of development. In that connexion, his delegation hoped that the General Assembly would adopt the draft Declaration on Social Development at the current session, thus emphasizing the importance of social prog-

<sup>3/</sup> See Official Records of the General Assembly, Twenty-second Session, Supplement No. 1 (A/6701 and Corr.1), chap. XII.



ress within the general context of the international development process.

65. In conclusion, he expressed his appreciation of the decisions taken in 1968 by the UNDP Governing Council regarding the new guide-lines for future technical assistance regional programmes (see E/4545, para. 83) and its recommendation to provide operational personnel, at the request of Governments, as part of the assistance normally given (see E/4451, para. 164). He was also pleased to note the new arrangements to be applied with regard to the local operating costs of recipient Governments as well as the decisions relating to the development of UNDP's relationship with the World Bank Group and the regional development banks and to the promotion of follow-up investment in recipient countries (see E/4545, para. 200). It was to be hoped that those important decisions would contribute to the success of the second Development Decade.

66. Mr. LUBBERS (Netherlands), noting that his delegation was a member of the Governing Council of UNDP, welcomed the positive results of the operational activities carried out within the United Nations. UNDP would have a particularly important role to play in the preparation of a global strategy for the next Development Decade.

67. His delegation expressed appreciation of the efforts of the Administrator of UNDP and his colleagues. It attached great importance to industrial development projects, particularly pre-investment projects. In that connexion, he recalled that at the Pleding Conference his country had undertaken to provide a certain contribution on the understanding that UNDP would use a large part of it for industrial projects, thus obviating the need for the Netherlands to make a direct contribution to UNIDO.

68. His delegation was very interested in evaluation activities, particularly in view of the growing importance of follow-up investment for Special Fund (UNDP) projects, and thought that evaluations should be made, not only during the execution and after the completion of projects, but also before they were launched.

69. In conclusion, he said that his Government was keenly interested in the capacity study which had been undertaken by Sir Robert Jackson. In that connexion, he recalled that the seventh session of the Governing Council of UNDP was to meet in January 1969 and observed that it would be useful to prepare a progress report on that study and distribute it far enough in advance for the members of the Governing Council to familiarize themselves with it and discuss it when they met.

70. Mr. KABANDA (Rwanda) said that UNDP and its Special Fund and Technical Assistance components represented a source of hope for the developing countries. While joint efforts should continue, UNDP should do more to solve the problem of ensuring continuity between studies and investment proper. Technically well-executed studies of economically profitable projects did not always result in investment. To remedy that situation, closer co-operation should be established between UNDP and such institutions as the World Bank and between UNDP and private investors. At the

annual meeting of IBRD held on 30 September 1968, the President of the Bank, in his address to the Board of Governors,<sup>4/</sup> had expressed willingness to take action on behalf of the developing countries in co-operation with other financing institutions. The UNDP authorities should take advantage of that willingness and co-operate with the Bank on project financing.

71. He was pleased to note that UNDP was undertaking training programmes in the developing countries. Training technicians in the areas where they would eventually be working was the best kind of assistance. UNDP was providing Rwanda with such aid.

72. All aid agreements required the recipient country to make a counterpart contribution. In some cases, the contribution was too high for the developing countries' budget. Thought should be given to relaxing those rules, bearing in mind the economic and financial position of the recipient countries. Counterpart contributions initially provided for could be reduced, and payment could be deferred until after the project was under way. The developing countries would also benefit from the establishment of a central inter-agency technical assistance fund to which institutions and Governments would contribute. Such a fund would pay for the services of experts provided by all United Nations bodies and would encourage technical co-operation between the developing countries themselves. Some of those countries were able to send technicians to other countries but unfortunately were not in a position to pay them.

73. The United States representative had already made a pertinent comment regarding the Resident Representatives of UNDP, who should be concerned more with co-ordinating all aspects of multilateral assistance than with diplomatic matters. To that end, various experts could assist the Resident Representatives in advising Governments on the preparation of project requests for submission to the United Nations and the specialized agencies. The Resident Representatives should undertake the more technical tasks and work in close co-operation with the local government.

74. United Nations organizations assisting developing countries should make every effort to avoid duplication and overlapping jurisdiction. The latter problem often delayed the launching of projects once they had been approved. Similarly, some officials, in seeking to further interests of their own country more than those of the recipient country, could delay projects submitted to UNDP. Lastly, UNIDO should be allowed considerable financial autonomy in order to meet its many obligations.

75. Mr. RABETAFIKA (Madagascar) said that the principle of counterpart contributions aptly illustrated the very spirit of international co-operation, which implied that each of the parties concerned gave something to the other. The recipient countries generally bore more than 50 per cent of the cost. UNDP's efforts would be more effective and equitable if the rules on counterpart contributions were made more flexible, taking into account the economic and financial position of the recipient countries, particularly when they encountered temporary economic or pay-

<sup>4/</sup> See document E/4593/Add.1-E/4594/Add.1.



ments problems. Very often, in accordance with a previously established time-table, a project could be launched only after the counterpart contribution had been made. Depending on the time-table, available funds could be "frozen", thus holding up other projects financed with local resources or bilateral subsidies. Payment of counterpart contributions should be required only after projects were under way.

76. General Assembly resolution 2280 (XXII) had requested the Governing Council of UNDP to examine the means whereby the Programme could do more to stimulate and facilitate the financing of projects which had already been the recipients of the Programme pre-investment. The Programme should not stop at stimulating financing but should seek to obtain firm commitments. That was no easy task. However, it was the only way to prevent pre-investment studies from remaining a dead letter for want of the investment needed to execute the project. Naturally, while no study could automatically attract the desired investment, it would be helpful to examine carefully the project's chances of receiving financing before the studies had proceeded too far. The introduction of medium-term projects represented an initial step, but it should be borne in mind that in most developing countries the major projects covered over-all infrastructure and equipment needs. It was essential to seek out and take full advantage of the various investment opportunities and to emphasize the need to reduce the interval between pre-investment studies and project execution to a minimum.

77. Once projects were under way, it should be possible to continue to use the same experts. In view of the shortage of trained staff in most developing countries, the Rwandese representative's suggestion concerning the establishment of a central inter-agency technical assistance fund (see para. 72 above) merited consideration. Such a fund would make it possible to pay technicians recruited individually by the developing countries and would encourage the exchange of experts between those countries. That measure, which would go beyond the operational and executive personnel programme—without, however, altering the regular programme of technical assistance in any way—should be given thorough study. A new spirit and more realistic outlook were required as the second Development Decade began. Recipient and donor countries alike would benefit from the adoption of realistic methods. The recipient countries would have an assured and balanced source of aid, and the donor countries could expect them to put that aid to rational and effective use.

78. Mr. CZARKOWSKI (Poland) said that the idea on which UNDP was based was one of the best formulas for multilateral co-operation under United Nations auspices. His delegation generally endorsed the activities of the Programme, as described in the documents before the Committee. It noted with satisfaction the Administrator's efforts to increase the resources available to the Programme. Poland had announced a 15-per cent increase in its contribution to the two components of UNDP; in 1967, it had increased its contribution by the same amount. However, UNDP's resources were still modest in relation to the needs of the developing countries; in recent years, the num-

ber of requests to UNDP had risen considerably. UNDP funds should therefore be put to the most effective possible use, and he was pleased to note the efforts that were being made to that end. To enhance project effectiveness, it was necessary, *inter alia*, to reduce the delays between earmarking and the signing of the plan of operations and to speed up project execution itself. The impact of UNDP projects on economic development was largely dependent on the relative importance assigned to the various sectors of activity. Assistance in industrialization played a particularly important role in the development of many countries. It was to be hoped that the expansion of UNIDO would permit greater emphasis to be placed on industrial development aid.

79. He supported the principle of evaluating UNDP activities and technical assistance provided by United Nations bodies. However, the recipient Governments themselves must be contacted to determine the benefits they had derived from the aid provided. Furthermore, UNDP should be world-wide in scope, which meant not only that as many countries as possible should contribute to it but also that experts and countries to host fellowship holders should be selected in accordance with the principle of ensuring the widest possible geographical distribution. The situation had improved, but more could be done in that connexion.

80. Mr. AHMED (Pakistan) said he was pleased to note that UNDP was making constant progress; not only was it receiving and dealing with an increasing number of requests, but it was becoming active in new fields, such as demography and efforts to increase the production of edible protein. Agriculture was still the main economic activity of the developing countries and, therefore, one of the major spheres of UNDP assistance; nevertheless, the pace of industrialization in those countries must be stepped up, and his delegation was pleased to note that that view was shared by the Administrator as well as by most of the members of the Governing Council and the delegations at the Pledging Conference.

81. He welcomed the intention of many countries to increase their contributions, which showed that the UNDP was arousing increasing interest and was pleased to note that the pledges for 1969 had exceeded the target of \$200 million. He would like to see closer co-ordination of the activities of the participating and executing agencies and an increase in the amount that could be allocated as preparatory assistance. His delegation welcomed the Governing Council's adoption of certain criteria to govern its choice of projects, and the decision to make the conditions which the recipient Governments had to satisfy more flexible, in the interest of States which found themselves in particularly difficult circumstances.

82. On the eve of the second Development Decade, UNDP was one of the major sources of technical and pre-investment assistance; he hoped that the evaluation studies would lead to a further extension of UNDP's responsibilities. He was also pleased to note the new provisions relating to regional and inter-regional projects, decided upon by the Governing Council at its sixth session (see E/4545, para. 83), which should enable that body to exercise stricter control over those projects.

83. His delegation noted that a number of developing countries could already provide the services of experts; it hoped that UNDP would make increasing use of those experts, so that they could acquire experience applicable in their own countries. He associated himself with those delegations which hoped that the Governing Council of UNDP would endeavour to reduce the time taken in project execution.

84. The Governing Council's report should be circulated in time to enable those delegations which were not members of the Governing Council to study it thoroughly and thus be ready to take part in the General Assembly discussions on that topic.

85. Mr. VARELA (Panama) said that it was through UNDP that the essentially peasant populations of the developing countries were learning of the existence of the United Nations. The Programme, which looked resolutely to the future, must strive to meet the needs of the most underprivileged sectors: in that connexion, he was pleased to note the importance attached by UNDP to the agricultural sector, as the increase in agricultural production was still far from sufficient. Industrialization also played an important role in speeding up development. The overriding need, however, was to raise people's real standard of living. In that respect, statistical data could give a false impression; an increase in the gross national product and per capita income, or an improvement in the balance of payments, did not necessarily mean an improvement in the people's living conditions. He attached great importance to the study of ways to determine per capita income much more exactly by sector and by type of activity, an item which was on the agenda for the sixteenth session of the Statistical Commission. In most cases it was really a small minority already in favourable circumstances, which benefited from any increase in the gross national product, thus widening the gulf between it and the mass of the people.

86. In his delegation's view, the co-ordinating role of the UNDP Resident Representatives should be further strengthened, since those officials could serve as a catalyst in bringing together local financial and human resources. It was important to use local technicians as much as possible, since they had a direct knowledge of their countries' problems, whereas foreign experts too often sought to use their theoretical knowledge in situations where it was not applicable.

87. Mr. OLSEN (Denmark) welcomed the Governing Council's decision, at its sixth session, to study the capacity of the United Nations bodies to carry out a more extensive pre-investment programme. His delegation had taken active part in the work to draw up the guide-lines for such a study, the findings of which should have a considerable bearing on the orientation of the second Development Decade. He furthermore supported the steps the Administrator had taken to promote follow-up investment in UNDP-financed projects.

88. His delegation was in favour of strengthening the activities of the United Nations regular programme of technical assistance and found that the budgetary level

of the programme should be increased. His delegation's support of UNDP activities was shown by a substantial increase in the level of its contributions to the Programme.

89. Mr. DUBEY (India) reiterated the firm support of his Government for the activities of UNDP and the regular programme of technical assistance. The pre-investment work of UNDP had helped to stimulate development in the developing countries. However, the volume of technical assistance provided under the United Nations regular programme of technical assistance and UNDP was still well below those countries' requirements. The capacity study undertaken by Sir Robert Jackson undoubtedly showed a desire to improve the quality of assistance supplied by UNDP. However, the study would miss its mark if it took the quantity of assistance as a fixed variable and considered only its quality. Similarly, if the study went too much into the question of priorities, it would end up by finding over-simplified solutions for difficult developmental problems, as priorities could not be the same for countries whose economic structures and stages of development were widely different. The crucial problem confronting all developing countries arose from their shortage of resources and the external vulnerability of their economies. UNDP could perform its task best by creating the infrastructure which would enable the developing countries to get out of those chronic difficulties.

90. His delegation hoped that UNDP would have more frequent recourse to those developing countries which could supply experts or equipment.

91. Mr. HOFFMAN (Administrator, United Nations Development Programme) thanked all the delegations for their views, criticisms and praise, which UNDP would take into account in its efforts to improve its activities.

92. Mr. HOO (Commissioner for Technical Co-operation) thanked those delegations which had commented favourably on the technical co-operation activities.

93. The CHAIRMAN proposed that the Committee should adopt the following draft resolution:

"The General Assembly

Takes note of the reports of the Governing Council of the United Nations Development Programme on its fifth and sixth sessions."

94. Mr. CARANICAS (Greece) proposed the addition, after the words "Takes note" of the words "with satisfaction".

*It was so decided.*

*The draft resolution, as amended, was adopted without objection.*

95. The CHAIRMAN proposed that the Committee should adopt the following draft resolution:

"The General Assembly

Takes note of the measures taken by the United Nations Development Programme, in response to paragraph 2 of General Assembly resolution 2280

(XXII) of 4 December 1967, concerning the promotion of follow-up investment."

*The draft resolution was adopted without objection.*

96. The CHAIRMAN proposed that the Committee should recommend that the General Assembly authorize the United Nations Development Programme to provide operational personnel, on the request of Governments, as an integral part of the assistance normally provided by it.

*It was so decided.*

#### Organization of the Committee's work

97. Mr. CHTOUROU (Tunisia) proposed that discussion of agenda item 35 (United Nations Industrial Development Organization) should be postponed until the following meeting.

*It was so decided.*

*The meeting rose at 7.20 p.m.*