



UNITED NATIONS DEVELOPMENT PROGRAMME

REPORT OF THE GOVERNING COUNCIL

SIXTEENTH SESSION

(6 to 29 June 1973)

ECONOMIC AND SOCIAL COUNCIL

OFFICIAL RECORDS: FIFTY-FIFTH SESSION

SUPPLEMENT No. 2A

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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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INTRODUCTION

1. The Governing Council held its sixteenth session at the headquarters of the World Health Organization, Geneva, from 6 June to 29 June 1973.
2. The Council's Budgetary and Finance Committee held nine meetings between 4 and 21 June, also at the World Health Organization headquarters, to consider administrative, budgetary and financial matters referred to it by the Council. The ad hoc Working Group on the Draft Statute for UNDP, established by the Council at its fifteenth session to prepare a draft statute for the Council's consideration, held nine meetings at WHO headquarters, between 4 and 20 June.
3. The present report was adopted by the Governing Council at its 394th meeting on 29 June 1973, for submission to the Economic and Social Council at its fifty-fifth session, in accordance with paragraph 4 of General Assembly resolution 2029 (XX).

CHAPTER I

ORGANIZATION OF THE SESSION

Attendance

4. Members of the Governing Council represented at the session, States represented by observers, organizations in the United Nations system and other intergovernmental and non-governmental bodies represented at the session are listed in the annex to this report.

Election of officers

5. At the opening meeting of its sixteenth session, the Governing Council elected Mr. Constantin Ené (Romania), Second Vice-President, and Mr. Charles Henry Archibald (Trinidad and Tobago), Third Vice-President, to succeed Mr. Ion Datcu (Romania) and Mr. Eustace E. Seignoret (Trinidad and Tobago), who were unable to participate in the sixteenth session.

6. Mr. Constantin Ené (Romania) was appointed Chairman of the Working Group on the Draft Statute for UNDP.

7. The Budgetary and Finance Committee, under the chairmanship of Mr. Sigismond Marcuard (Switzerland), elected Mr. Arun Abhyankar (India) as Rapporteur of the Committee.

Agenda

8. The agenda adopted for the sixteenth session was as follows:

1. Opening of the session.

2. Adoption of the agenda (DP/L.272 and Add.1 and 2).

3. Country and intercountry programming and projects:

(a) Consideration, in private meetings, and approval by the Council of individual country programmes:

AFGHANISTAN	DP/GC/AFG/R.1	and	DP/GC/AFG/R.1/RECOMMENDATION;
BARBADOS	" BAR "	" "	" BAR " "
BOLIVIA	" BOL "	" "	" BOL " "
BOTSWANA	" BOT "	" "	" BOT " "
CONGO	" PRC "	" "	" PRC " "
DOMINICAN REPUBLIC	" DOM "	" "	" DOM " "
EL SALVADOR	" ELS "	" "	" ELS " "
			and Corr.1
GUYANA	" GUY "	" "	" GUY " "
IRAN	" IRA "	" "	" IRA " "

LEBANON	DP/GC/LEB/R.1	and Corr.1	and DP/GC/LEB/R.1/RECOMMENDATION;
MALDIVES	" MDV	"	" MDV " "
MEXICO	" MEX	"	" MEX " "
MOROCCO	" MOR	" and Corr.1	" MOR " "
PAKISTAN	" PAK	"	" PAK " "
PAPUA NEW GUINEA	" PAP	"	" PAP " "
PARAGUAY	" PAR	"	" PAR " "
REPUBLIC OF VIET-NAM	" RVN	"	" RVN " "
ROMANIA	" ROM	" and Corr.1	" ROM " "
RWANDA	" RWA	"	" RWA " "
SIERRA LEONE	" SIL	"	" SIL " "
SUDAN	" SUD	" and Corr.1	" SUD " "
SWAZILAND	" SWA	"	" SWA " "
TURKEY	" TUR	" and Corr.1	" TUR " "
UPPER VOLTA	" UPV	"	" UPV " "
URUGUAY	" URU	"	" URU " "

(b) Report by the Administrator on projects approved between the fifteenth and sixteenth sessions and extension of the Administrator's authority to approve projects (DP/L.274: Vol. I and Corr.1, Vols. II-V; DP/L.286);

(c) Further review of criteria to be followed in calculating indicative planning figures for the 1977-1981 period (DP/L.281).

4. Annual report of the Administrator for 1972 (DP/L.277 and Corr.1), Add.1 and Corr.1, Add.2, and Add.3 and Corr.1).

5. United Nations Volunteers (DP/L.278).

6. Information papers on the regular programmes of technical assistance in 1972 of the specialized agencies and the International Atomic Energy Agency (DP/L.275).

7. United Nations Fund for Population Activities (DP/L.273, Add.1 and Corr.1, and Add.2-5, DP/L.291/Add.7).

8. Budgetary, financial and administrative matters:

(a) Financial outlook of UNDP, 1972 to 1976, and comprehensive report on financial activities during 1972 (DP/L.284, DP/L.291/Add.6);

(b) Budget estimates for the year 1974 (DP/L.276 and Add.1, DP/L.287, DP/L.291/Add.5);

(c) Progress report on agency overhead costs (DP/L.285 and Corr.1, DP/L.291/Add.3);

(d) Assessed programme costs payable in local currency (DP/L.283, DP/L.291);

(e) Headquarters premises of UNDP (DP/L.282, DP/L.291/Add.1);

- (f) United Nations staff college (DP/L.279, DP/L.291/Add.4);
 - (g) Composition of UNDP headquarters and field offices (DP/L.291/Add.2).
9. Draft omnibus statute for the Programme for consideration by the General Assembly (General Assembly resolution 2688 (XXV)) (DP/L.280 and Corr.1, DP/L.280/Add.1, DP/L.288).
 10. United Nations technical co-operation activities (DP/RP/14).
 11. Other matters (DP/L.289, DP/L.290/Rev.2).
 12. Date and provisional agenda for the seventeenth session of the Governing Council (DP/L.290/Rev.2).
 13. Draft report of the Governing Council to the fifty-fifth session of the Economic and Social Council (DP/L.292 and Add.1-6 and related corrigenda).

Summary records of meetings

9. The summary records of the meetings of the sixteenth session of the Governing Council were issued as documents DP/SR.367-394.

Private meetings

10. Seven private meetings of the Council were held to consider country programmes submitted to the Council for approval under item 3 (a) of the agenda.

CHAPTER II

COUNTRY AND INTERCOUNTRY PROGRAMMING AND PROJECTS

A. COUNTRY PROGRAMMES

11. Under subitem 3 (a) of the agenda, 25 country programmes were submitted to the Governing Council for consideration and approval. During the course of private meetings of the Council, the Administration indicated that it would defer submission of one country programme.

12. Following discussion of individual country programmes in private meetings, the Governing Council considered the remaining 24 country programmes in open session.

Summary of discussion

13. One member stated that his delegation had supported all of the country programmes during their consideration in private meetings. With reference to the country programme for Lebanon, he commented favourably upon the distribution by sector and the selection of major projects. He pointed out, however, that the development efforts of Lebanon, like those of other Arab countries, were undermined by the aggressive actions of Israel. In this connexion, he recalled that a number of members had expressed objections at the previous session to the country programme for Israel and had questioned the eligibility of Israel to receive UNDP assistance. He reiterated that his delegation supported the Lebanese country programme.

14. Another member singled out the country programmes of Iran and Turkey for special mention, commending particularly the innovation of cost-sharing in the Iranian programme, and the emphasis placed upon industry in the Turkish programme.

15. The same member also referred to the approaching need to evaluate and appraise the country programming exercise in terms of the cost and benefits stemming from the sizable efforts put into programme preparation. While his Government had found the effort well worthwhile, evaluation was needed to determine how well the system worked in comparison with the old. His delegation also felt that the programming exercise would have greater value if all donors could participate, it being understood that the prerogative for adopting this approach rested with the Government concerned. Finally, he considered that over-programming was an effective tool to ensure maximum utilization of the indicative planning figure (IPF). In the case of his Government's country programme, over-programming had become inevitable and was linked to the decision of the fourteenth session reducing his country's IPF to \$18.5 million; subsequent efforts to have this unjust situation rectified had not yielded fruit.

Observations of the Administration

16. In response, the Deputy Administrator welcomed the timely reference to the need for evaluation of the country programming exercise and looked forward to receiving suggestions in this regard, since UNDP would soon have to decide on the approach to the second round of country programming.

Decision of the Governing Council

17. At its 373rd meeting, the Governing Council:

(a) Approved the proposed UNDP country programmes for Afghanistan, Barbados, Bolivia, Botswana, Congo, Dominican Republic, El Salvador, Guyana, Iran, Lebanon, Maldives, Mexico, Morocco, Pakistan, Papua New Guinea, Paraguay, Romania, Rwanda, Sierra Leone, Sudan, Swaziland, Turkey, Upper Volta and Uruguay within the limit of each country's approved indicative planning figure and for the duration of the respective programme periods. Until such time as indicative planning figures were established to cover 1977 and subsequent years, the Administrator, with respect to the country programmes for Barbados, Dominican Republic, El Salvador, Iran, Mexico, Morocco, Papua New Guinea, Romania, Turkey and Uruguay, would proceed with approval action in a manner which would ensure that expenditures during the period 1972-1976 would not exceed the currently established indicative planning figure for that period; and

(b) Authorized the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the respective country programmes, and calling for planned expenditures which might be contained within the approved indicative planning figure of the countries concerned and the financial resources currently available at any given time.

B. REPORT ON ACTIONS TAKEN BY THE ADMINISTRATOR CONCERNING PROJECTS

18. With respect to the report on projects approved by the Administrator and by resident representatives between the fifteenth and sixteenth sessions of the Governing Council (DP/L.274), for consideration under item 3 (b) of the Council's agenda, the President of the Council observed that, since the relevant documentation was not available in all the working languages of the Council, he did not anticipate a full discussion of the report, which was in any case intended only for the Council's information. He therefore proposed that the documentation, when ready, be transmitted to the members concerned and suggested that members who so desired could comment on the report at the next session of the Council.

19. In answer to a query from one member, the Deputy Administrator (Programme) said that the rate of approval of projects as reflected in volume I of the report had not been retarded by considerations of front-loading and the resource situation for 1973, although the point was approaching where existing commitments would absorb almost all the resources of the IPFs. As of 31 March 1973, on-going commitments already constituted 56 per cent of the IPFs for 1972-1976. Responding to another question about criticism expressed at meetings of legislative bodies of some executing agencies, notably UNESCO, about difficulties encountered on project approval procedures, he said that the Administrator had established

an internal task force to examine the possibilities of simplifying and speeding up these procedures.

20. A number of members reiterated the reservations of their delegations concerning the approval of projects for the Republic of Korea and the Republic of Viet-Nam.

C. EXTENSION OF THE AUTHORITY OF THE ADMINISTRATOR TO APPROVE PROJECTS

21. Introducing document DP/L.286, also before the Council for consideration under item 3 (b) of the agenda, the Deputy Administrator (Programme) said that he hoped the Council would agree to extend the authority delegated to the Administrator to approve projects for all countries to the end of 1976 to coincide with the end of the current IPF period. It was incongruous that the Administrator should have the authority to approve projects during the first three years of the programme period, but not during the last two. There was also some question about the interpretation of the Consensus, 1/ as to whether the Administrator's authority to approve projects in approved country programmes was due to lapse at the end of 1973 or 1974.

Summary of discussion

22. Members supported the proposal to extend the Administrator's approval authority until the end of 1976. One member, while prepared to support the proposal, said he would have wished the question to be left open until it could be considered in the context of the general appraisal of country programming, expected to take place in the summer of 1974.

23. Several members asked for amplification of the statement in the document that a number of Governments had requested postponement of consideration of their first country programmes to 1974 and a few to the beginning of 1975.

Observations of the Administration

24. The Deputy Administrator (Programme), replying to questions raised, said that while certain general explanations could be cited for the postponement of country programmes, such as change of Government, unreadiness of the planning machinery, or the Government's desire to have the country programme coincide with the timing of its national development plan, he thought it would be more informative for the Council to have some specific examples. In this connexion, the Assistant Administrator and Director of the Regional Bureau for Africa referred to two factors as affecting the timing of submission of country programmes. One was the lead time required for programme preparation, since the first drafts had to be

1/ Consensus on the United Nations Development Co-operation Cycle approved by the Governing Council at its tenth session and subsequently adopted by the Economic and Social Council in its resolution 1530 (XLIX) of 22 July 1970 and by the General Assembly in its resolution 2688 (XXV) of 11 December 1970.

received at headquarters six months before presentation of the programmes to the Council, to allow time for comments from agencies and others. The second was substantive, and related to the preparation of national development plans. He cited two examples: Nigeria, with an IPF of \$30 million, and Ethiopia, which had an IPF of \$20 million and in addition was among the least developed countries. In each case development plans were under preparation which would establish the framework within which UNDP assistance must be fitted if it was to make the desired impact.

Decision of the Governing Council

25. At its 373rd meeting, the Governing Council decided to extend the Administrator's authority to approve projects for all countries until the end of 1976, i.e., for the full period covered by the current indicative planning figures, subject to its previous decisions requiring that certain types of projects be referred to it for approval.

D. REVIEW OF CRITERIA TO BE FOLLOWED IN CALCULATING INDICATIVE PLANNING FIGURES

26. Under item 3 (c) of its agenda, the Governing Council had before it for consideration, in document DP/L.281, a further study on criteria to be followed in calculating IPFs for 1977-1981, in accordance with the request made by the Council at its fifteenth session.

27. Introducing the item, the Deputy Administrator (Programme) stated that the issue of criteria for calculating IPFs was most complex and difficult. To avoid opening or reopening unnecessary issues, he stated that he would touch upon only two or three points which he considered rather basic or fundamental. The Council had debated this question now on several occasions and the Administration had prepared a variety of illustrative calculations to assist the Council's task. It was time now to proceed from calculations to compromise and consensus, to move from debate and discussion to workable decisions by the deliberate exercise of the common will.

28. The Deputy Administrator stressed that DP/L.281 represented merely a set of calculations designed to assist the work of the Council and not a set of recommendations of the Administration. This was clearly stated in paragraph 3 of the document before the Council. At the same time it was necessary to emphasize that the deliberations of the Council so far and the different sets of illustrative calculations already made had greatly increased understanding of the problem.

29. It was appreciated, the Deputy Administrator stated, that the rate at which total resources could be safely assumed to grow over the years to come was perhaps the most crucial factor in resolving the question of country IPFs. In that sense, all had a common interest - and he assumed equal responsibility - to ensure that the resources of UNDP increased at the maximum feasible rate. It could not be overlooked that there was a basic asymmetry or imbalance, if not contradiction, between a system of IPFs on the one hand and a purely voluntary system of contributions on the other. Unless the voluntary principle of the UNDP system was

combined with a certain common determination to reach a desirable rate of growth in resources, no amount of ingenuity in fixing IPFs would prevent them in due course from being merely indicative rather than a reliable guide to planning as they should be.

30. The Deputy Administrator stated that discussions in the Council and the calculations prepared had made it clear that while there could be an improvement upon whatever criteria was adopted, there was no single formula which could give entirely satisfactory results. Thus, at best, a particular formula could give results which were on the whole better than those given by another formula. But whatever the formula, it would be a miracle if it produced results which would be satisfactory for each country or for each situation. Some ad hoc adjustments, therefore, would always be necessary. That was why some calculations had been presented in the latest paper which modified the conclusions of the formula adopted. He could think of other modifications which would be equally justified and which could have been made if there were no limitations on time. He, for one, would agree, for example, that the assumption in DP/L.281 to virtually ignore differences in per capita income above \$500 per year needed modification. This assumption, which was also made in the earlier set of calculations, had some rationale, given the concept of a ceiling. But if this constraint of a ceiling were removed, the per capita function would also have to be suitably modified.

31. The Deputy Administrator said that, despite dissatisfaction with any of the calculations so far presented, the area of real disagreement on which attention needed to be concentrated was rather limited. It concerned essentially the IPFs of the developing countries with per capita incomes higher than \$500 per annum. Or, to put it differently, the questions that the Council essentially had to resolve revolved round what had come to be known as the concepts of the ceiling and the floor. It was as well to recognize that progress had been made in narrowing the area of differences and in quantifying the ingredients of any possible solution.

32. The Deputy Administrator referred to the share of regional and global projects in total resources and the share of each region in the total resources earmarked for regional projects. If there was any desire among members of the Council to change the status quo in regard to these aspects of the distribution of over-all resources, he considered that the time to discuss the matter was now. For, once the country IPFs were virtually decided, not only in terms of criteria but dollars and cents as well, the question of the relative share of country projects and regional or global projects could not really be reopened. He stated that it was not at all impossible that focusing for a while on regional or global IPFs might even provide at least some help in resolving what he had indicated was the most complex and difficult question of country IPFs, in a spirit of mutual accommodation and give-and-take.

Summary of discussion

33. In their further review of criteria for calculating country IPFs for 1977-1981, members of the Council took note of the Administrator's study, DP/L.281, which was regarded as a response to the decision of the Council at its fifteenth session and as providing a basis for negotiation towards decisions at the current and seventeenth sessions. It was generally understood to be an

elaboration and extension of earlier papers and as not containing any recommendations. Several members urged that the present study should be considered alongside earlier documents on the matter, DP/L.240 and DP/L.259. Some members called attention to the Deputy Administrator's opening comment on one aspect of the calculations.

34. Several members stated that the basic principle of the universality of the Programme should underlie the review of criteria. They considered that the universality of the Programme, as well as its voluntary character, must be maintained. The Programme should continue as a broad international co-operation effort aimed at spurring the economic and social development of developing countries. There was, however, some difference of opinion on the concept of universality of the Programme. Some members stressed that the universality principle could not be interpreted to mean that all countries had a right to be only recipients; there were responsibilities for participants, also, on the side of contributions to the Programme. Others emphasized that it was essential to maintain the kind of universality underlying the Programme from its inception, namely, the participation of all countries in the Programme without making any distinction between donors and recipients of assistance. Some members stated that the developing countries were a clearly identifiable group of countries with common aspirations, problems and strategies, and hoped that their unity would be maintained. A member stated that UNDP's efforts at international co-operation should in no way result in the isolation of the Latin American region since that region was experiencing a critical economic situation and stagnation might result if it were excluded from international co-operation efforts. A member stated that there were developing countries in Europe; they had inherited a poor economic situation at the end of the Second World War. A member recalled that his country, which had been left shattered by the two World Wars, had only recently begun to receive revenues from its oil production and that the task of building the infrastructure of his country was one that would take decades. Some considered that countries ignoring General Assembly resolutions should be excluded from the Programme. Another member felt that aggressor régimes and régimes that exploited the victims of their aggression should also be excluded.

35. A significant increase in the level of resources available to the Programme was generally regarded as providing a key to the solution of the 1977-1981 IPF distribution issue: it was the only way to solve the matter satisfactorily. Several members considered that the Council had, thus far, put too much emphasis on IPF distribution and should now put more stress on the growth of resources. They said that only an adequate growth in contributions could prevent what otherwise might be a humiliating rivalry among developing countries for a larger share of a limited resource total. Several members viewed these two matters as the two sides of a coin: without adequate growth in resources it would be possible to help some only by hurting others. They expressed unhappiness if those getting least were to be countries on the lower end of the per capita GNP scale.

36. Some members regarded the lack of greater contributions to UNDP from the more important contributing countries as the crux of the situation and it was hoped that there would be some indication of their future intentions. A member stated that his Government hoped to increase its annual contribution to UNDP and that its cumulative contribution would exceed \$1 billion. Some members noted this statement with approval. A member stated that more might be forthcoming from major contributor countries if their legislative bodies considered that financial support for the Programme was widespread. Some members stressed the need for more

widespread participation by all of the developed countries, including eastern and western Europe, in raising the resource level. A member stated that not all of the countries with high per capita incomes were contributing to the Programme in relation to their ability. A member considered that the United Nations should be the channel through which developing countries should be compensated by the ex-colonial Powers. A member stated that while it was recognized that countries in his advanced region must contribute more to the Programme, regard must be had to the totality of forms and channels of development assistance which were being employed. The contributions to UNDP by countries in his region had increased above the 9.6 per cent annual figure. A member stated that his country's official development assistance effort was close to the 0.7 per cent of GNP target. He hoped that UNDP would benefit from his country's further effort, which he indicated would be influenced by whether there was a more equitable distribution of UNDP activities in the Asian region.

37. Several members considered that it was important for recipient countries with relatively high per capita income to increase their contributions and that they should endeavour to become net contributors. One member defined these as recipient countries above the \$900 per capita income level. Countries which were relatively well endowed with natural resources should still be allocated IPFs, it was stated, but the principle of universality would be strengthened if they also contributed more than they received. A member stated that the impact on the growth of total resources of the endeavour to achieve net contributor status by several recipients would be small.

38. Some members recalled that the growth of mandatory contributions to various United Nations bodies had been held down on the stated grounds of the need to bolster voluntary contributions to United Nations bodies and yet it could be seen that the latter had not occurred. A member stated that the Administrator should assist in this paramount endeavour to spur greater contributions to the Programme. The member asked whether the lack of adequate growth in contributions might not reflect a form of isolationism - an abandonment of multilateral co-operation and a reversion to bilateralism. He wondered if it did not signal a concerted effort to divide the countries of the developing world so as to ease their pressure in claiming what they were entitled to receive. He considered it important for public opinion in the advanced countries to be properly informed of the needs of development assistance: otherwise, if present trends continued, the great conceptual achievement of UNDP would be doomed.

39. Members of the Council considered the specific assumptions that might be made concerning the annual growth rate in voluntary contributions in the context of calculating IPFs for 1977-1981. Some members urged the need for a sound estimate, a clear idea, of resource growth. A member realized that an optimistic estimate would solve the problem of the "poor versus the floor" but stated that the estimate had to be realistic if the management of the Programme was to be effective.

40. Several members stated that the 7.2 per cent assumption about growth in contributions caused unnecessary apprehensions and should not be included in future calculations. The use of such a figure, it was stated, was contrary to the Consensus. Some members considered the 9.6 per cent figure as a reasonable working hypothesis and some members stated that, in accordance with a General Assembly resolution, the 9.6 per cent figure should be regarded as a minimum rate of growth. Some members viewed 9.6 as too pessimistic an assumption. One member viewed the 11.2 per cent assumption as too optimistic and noted that IPFs could always be

adjusted upwards if justified by resource growth. Several members stated that voluntary contributions should increase at 15 per cent per annum - that this should be set as a target, and that this figure should be used in future projections. It was noted that, at this growth rate, the problem of countering "negative changes" in IPFs between the first and second Development Cycles would be manageable. A member stated that 15 per cent was certainly optimistic.

41. Several members expressed concern about the effect of inflationary trends and recent changes in foreign exchange rates on the real level of resource growth of the Programme. A member, in reviewing past changes, stated that the consumer price index in the countries that made up the Group of Ten had risen over the last decade by nearly 60 per cent and that to this must be added the effect of two recent dollar devaluations which totalled more than 18 per cent. He stated that over the past 10 years voluntary contributions, which had risen by 153 per cent in current dollar values, were only 40 per cent higher in constant values. This perspective showed that the assumptions about resource growth in DP/L.281 were illusory.

42. In considering the method employed in DP/L.281 for sharing 92.5 per cent of total resources available for distributed country IPFs, several members stated their agreement with it. Some members saw this method as a means of achieving justice and equality, of giving more to those countries that needed it more. Some members approved a method that was simple and universal and that did not have recourse to country groupings. A member saw merit in the method employed, considering the complex economic issues involved. A member stated that this method revealed that the approach to IPFs for 1972-1976 had been haphazard. Per capita GNP and population were seen as the best available tools even though some considered them to be imperfect ones.

43. Several other members expressed reservations about the method employed in DP/L.281 and felt that too much emphasis should not be put on simple mathematics. The two variables in the method employed should be considered only as a point of departure, and attention must be given to several other variables of importance in the process of economic and social development. A member stated that the use of purely quantitative criteria produced fictional results far removed from reality. This method could only lead to interminable calculations and, also, to frustration among the developing countries.

44. It was generally agreed that the latest available data on population and per capita GNP should be used when IPFs were finally established for 1977-1981. Several members favoured the use of World Bank data as an input into the IPF calculations. The use of United Nations data was suggested by one member. A member considered that the important thing was that a single source be used for all countries. Methodology, rather than source, was pin-pointed by one member as the basic issue and he noted the unavoidable difficulties in national income calculations. The caution referred to in DP/L.281 concerning the per capita income data used in the present calculations was underlined by several members, and one member indicated that \$600 was the correct figure for the per capita GNP of his country and not \$930 as shown in the data source used. One member stated that intercountry comparisons of per capita GNP presented problems because of different methodologies: the data on his country in the source used were neither correct, legal, nor fair. One member indicated that the per capita GNP figure used for his country was not realistic. Some members indicated that the population data employed in the IPF calculations understated significantly the current situation in their countries.

45. In considering the relationship between future UNDP assistance to a recipient country and its per capita GNP suggested in DP/L.281, several members approved the use of a relationship which avoided country groupings. Preference was expressed for the suggestion in the present note by the Administrator - as compared with that in DP/L.259 - of common and progressive treatment for all countries at the lower end of the income scale, whether or not designated as least developed, whereby the IPF weight continued to increase as the level of per capita GNP declined. It was stated by several members that the relative IPF weights in DP/L.281 for per capita GNP below \$500 provided a reasonable basis for negotiation. However, differing views were indicated as to the appropriate weights for countries above \$500.

46. The weighting system in DP/L.281 suggested a uniform weight of 1.0 for all recipient countries with per capita GNP in excess of \$500. Several members did not regard this as equitable - as, in fact, producing some very peculiar results - and urged that a schedule of declining weights should operate as per capita GNP increased above \$500. Several members stated that at some income level the IPF weight should be eliminated, i.e., there should be a "cut-off" in UNDP assistance. While supporting a declining weighting system in the initial income range above \$500, several members considered that beyond a certain level a uniform weight should prevail, i.e., that the Programme should remain "open" and thus continue to assist those recipient countries with relatively high per capita GNP.

47. A member stated that if a common IPF weight of 1.0 were to be suggested for all countries with per capita GNP above \$500 then his country (a major contributor with a per capita GNP above \$2,000) would be entitled to a \$10 million IPF. Since this was not the intention of the Governing Council, he suggested that the IPF weights should decline linearly from 1.0 at \$500 to zero at \$1,500. This proposal, on the assumption of an annual 9.6 per cent increase in contributions, compared with the model presented to the Council, would redirect some \$75 million for distribution among the lower income countries. Some members agreed that consideration should be given to a cut-off at the suggested \$1,500 level. One member stated that the cut-off point might be somewhere between \$1,000 and \$1,500.

48. Several members were opposed to the suggestion of a "cut-off" in UNDP assistance to those recipient countries with a relatively high per capita income and one member hoped that the idea would be excluded from future discussion since it posed a danger for the future of the Programme. Some members stated that their countries were much concerned with the channels of assistance and it was important for all countries to be able to participate in the international co-operation endeavour within the United Nations framework. The member recalled that the experience gained from pilot UNDP-assisted projects executed in recipient countries with relatively high per capita income could be transferred to countries with lower levels of income.

49. In advocating a declining level of UNDP assistance to countries above \$500 per capita GNP, but without a cut-off, some members suggested a linear decline in the weighting system from 1.0 at \$500 to 0.25 at \$1,000 with the latter weight constant for all countries above \$1,000. A member suggested the decline from 1.0 at \$500 might be to 0.5 somewhere between \$1,000 and \$1,500, with the latter weight constant at higher income levels.

50. Some members urged that there should be no increase in IPFs between 1972-1976 and 1977-1981 for countries with per capita GNP above \$800. A member recalled the

readiness which had been expressed at the fourteenth session by some recipient countries with relatively high income to forgo increased IPFs in the second IPF cycle.

51. Several members stated their acceptance of the curvilinear relation suggested in DP/L.281 between UNDP assistance to a recipient country and its population. One member referred to some peculiarities of this relation. Regarding both the per capita GNP and the population functions, a member stated that since no formula could be satisfactory to everyone, the Council had to look for the least unacceptable solution.

52. In considering the results of the basic calculations made in DP/L.281, using the data and suggested relationships therein, several members recognized that not all countries could be better off; that there had to be negative as well as positive changes; and that some of these changes would be radical.

53. A member was persuaded that these calculations, on the basis of up-to-date information on population and per capita income, could be regarded as a statement of equity which should be recommended for achievement as soon as possible. A member noted that these calculations showed that the current IPF pattern was not equitable. A member considered that the current share going to the least developed among developing countries was unfair. A member stated that the current IPFs were based on the respective absorptive capacities of developing countries in the 1960s and that this was not a measure of aid requirements. Consequently, corrective measures now had to be taken, including reductions for those who had received more than they had deserved. A member said that whereas continuity had marked the transition into 1972-1976 IPFs, for the next cycle a better determinant was now available, i.e., equity. Some members noted that no mathematical model could meet all political issues and that the basic calculations could be regarded only as a starting point. One member stated that the basic calculations in DP/L.281 were merely illustrative and could not be taken as a reference point for IPFs in the next cycle.

54. There was general acceptance of the result of the basic calculations that at least 25 per cent of available resources for distributed country IPFs on the basis of fundamental criteria of population and per capita GNP should be directed to the least developed among developing countries and several members were in agreement with the figure of 25.3 per cent in DP/L.281. A member stated that the quality of assistance to these countries was more important than whether the aggregate share was 25.3, 26, or 27 per cent. A member recalled that the term "at least 25 per cent" had been interpreted earlier as "from 25 per cent and up to 27.5 or possibly 30 per cent". In DP/L.259, the calculations indicated some 26 per cent for the countries and now, in the present note by the Administrator, the figure was, disappointingly, down to 25.3 per cent. A member expressed dissatisfaction with the 25 per cent figure and suggested that it should preferably be 30 per cent because of the extreme economic conditions in the least developed countries. Further, while UNDP assistance was marginal in quantitative terms, it nevertheless played a crucial role in these countries. A member recalled that the list of least developed countries was subject to change and that not all of these countries had similar problems, as witnessed by the particular problems of those among them that were land-locked. A member recalled that the United Nations Conference on Trade and Development (UNCTAD) had, at its third session, adopted a resolution to the effect that special measures in favour of least developed countries should not be at the expense of other developing countries.

55. The results of the basic calculations of future IPFs in DP/L.281 for all low income countries - 55.8 per cent for all countries below \$150 and 77.5 per cent for all countries below \$300 - were variously considered by several members as: properly taking account of the need for equity and justice; rational and logical; basically satisfactory; and better than previous calculations. A member noted the comparable treatment that had been given to all countries with the same low income, whether or not they were formally regarded as least developed.

56. Some members expressed reservations at the treatment accorded low income countries other than the least developed. While the increased share in the Administrator's note, of close to 16 per cent allocated to countries below \$200 per capita GNP, appeared praiseworthy, a member stressed that most of this share had to be surrendered by countries in the \$200-\$750 range that very much needed aid for their own development. A member stated that the suggested increases for other low income countries were not possible under the lowest assumption about the future increases in resources.

57. Several members indicated their preference of IPF results for recipient countries with relatively high income different from those shown in the basic calculations of DP/L.281. Some members stated that these results should reflect the suggestion of linearly declining weights for countries with per capita GNP above \$500. One member considered that to preserve the universality of the Programme, countries above the \$800 income level should continue to receive IPFs but that they should not be higher than 1972-1976 levels. A member considered it wrong for some relatively high income recipient countries to be allocated higher IPFs in the second Cycle than they had received in the first Cycle and noted the opening statement of the Deputy Administrator in that regard. One member stated that he was prepared to see higher IPFs for recipient countries with relatively high per capita income should they achieve net contributor status.

58. The results of the basic calculations, a member stressed, indicated a departure from the principles of universality and continuity and a marginalizing of the Latin American region. The free-play basic approach in DP/L.281 was not acceptable under any circumstances. A member stated that, despite the low income levels of countries in the Asia and Far East region and the fact that they accounted for two thirds of the total population of all recipient countries, at the present time these countries received less than one quarter of UNDP's resources.

59. The Council gave careful consideration to the problem of negative changes in IPFs between the 1972-1976 values of several countries and the respective values determined by the basic calculations which allowed the free play of the population and per capita GNP variables. The assessment of the modified calculations in DP/L.281 - which were designed to reduce substantially these negative changes between the present IPF cycle and the next - revealed a range of views: that the modified calculations went too far in undoing the purposes of the basic calculations; that the modified calculations could be supported partly or wholly; and that the modified calculations did not go far enough, since they departed from the principle of no negative changes between IPF cycles, i.e., "the 100 per cent floor".

60. Several members accepted - some, with amendments - the basic calculations as an approach for future IPFs and stated that, thus, they could not accept the modified calculations in DP/L.281. A member regretted that several recipient countries consequently would have diminished IPFs in 1977-1981 but considered that

recipient countries with relatively high income should then help to provide resources to the Programme and that they could still obtain UNDP assistance if they paid for it. Some members hoped for the abolition of the concept of the floor since it removed the progressive intent of the basic calculations. The modified calculations were considered injurious to the prospects of convincing parliaments in donor countries to increase their support of the Programme.

61. Several other members generally viewed the modified calculations of 1977-1981 IPFs with favour or satisfaction, in principle and/or in practice. A member stated that all considerations suggested the need to modify the basic calculations. One member stated that modified calculations could aim at achieving optimal equity. Another member indicated his willingness to agree to some interim rectifications provided the over-all objective of equity was retained. He urged that, as a first step, it be recognized that the percentage distribution of IPFs for 1977-1981 as basically calculated in DP/L.281 was an objective method of distributing resources. Consequently, the interim rectifications should not remain static throughout 1977-1981 but each year after 1977 there should be a shift towards the more equitable IPF distribution indicated by the basic calculations. In supporting the method and results of the modified calculations, a member stated the need for some continuity in IPFs so as better to exploit the important world-wide network of field offices that had been established by UNDP. Similarly, a member was concerned that, without any modifications of IPFs, i.e., the acceptance of significant negative changes, some projects initiated in 1972-1976 might have to be abandoned. He suggested that a country's 1977-1981 IPF should never be less than 80 per cent of its 1972-1976 value.

62. Several members considered that the absence of a full floor guaranteeing no negative change between IPF cycles, in the modified calculations in DP/L.281, made them invalid or irrelevant. There should be no penalty, i.e., no negative changes in IPFs in any circumstance. A member stated that an IPF reduction below its 1972-1976 level would mean that the country concerned would receive less than its absorptive capacity. It was suggested that the introduction of negative changes into 1977-1981 might be detrimental to the goals of some national development plans. A member believed that there should be no negative changes in IPFs between cycles for countries with per capita GNP below \$800. It was noted that, under the modified calculations in DP/L.281, 19 out of 24 of the countries in Latin America would be subject to negative changes, including Bolivia. Several of these countries were at a critical stage of their economic development, when they most needed development assistance. Countries in other regions and with similar problems would also be affected while some countries without comparable need would obtain increased IPFs.

63. Some members urged the need to return to the recommendation of the Working Group at the Council's fourteenth session and the amendments to it proposed by the President of the Council. A member stated that it provided the best basis for a consensus at the present time. A member said that the final answer to the issue of IPF distribution might be obtained from among the Working Group's proposals and the approach used in the present note by the Administrator.

64. In the view of one member, the solution on IPFs could be found by merging elements introduced in DP/L.240, DP/L.259 and DP/L.281. The first document had introduced the concept of constraints that would prevent too radical a departure from the current to the next cycle; the second had introduced a varying distribution of IPFs according to variations in the assumption of future levels of

available resources; and the present document introduced a model that ensured the fulfilment of these objectives without dividing countries into groups. Several members advocated that once the floor concept was implemented, incremental resources should then be distributed so that low income countries obtained relative as well as absolute increases.

65. Considering that each developing country had to establish a certain minimum of services - irrespective of its population size or per capita income - a member urged modification of IPF calculations to ensure a minimum size of UNDP assistance. This issue was all the more important given recent currency problems and trends in inflation. In noting the modified IPF calculated in DP/L.281 for his country for 1977-1981, a member demanded an end to discrimination. The allocation to his country had been discriminatory in 1966-1971; it was so, again, in the present cycle; and now it was suggested for the current IPF in fact to be reduced in 1977-1981.

66. Varying stress was put on the role of supplementary criteria in establishing IPFs for 1977-1981. Several members considered that supplementary criteria were required to correct the anomalies of the basic model (employing only population and per capita income) or to cope with its insufficiencies. As such, supplementary criteria were an essential part of the total scheme. They could serve to help offset some of the negative changes emerging from the operation of the basic criteria.

67. Several members considered that population and per capita income were, indeed, arguable criteria and that some of the so-called supplementary criteria were, in fact, fundamental. Several members considered the criteria - "the magnitude of the country's development effort; the extent to which the Government is making structural changes to promote the development process; and the distribution of income and other elements of the establishment of social justice" ^{2/} - in this light. It was noted by several members that these had been endorsed for use by countries of Latin America in United Nations bodies and that they could be measured with sufficient accuracy to permit their use for the determination of IPFs. A member stressed that the "magnitude of the country's development effort" was a technically and politically valid variable which was understandable, fair and practical. While underlining this element, the member recalled other criteria that should be used, including external economic pressures and geographical disabilities.

68. In endorsing the view indicated above, a member said that the operation of the population and per capita income variables would result in his country's getting a sharp cut in the amount of its IPF in 1977-1981 compared with the present, and, even then, in depreciated currency. The people of his country would not understand this against the background of the considerable domestic effort that was being made at national development and their experience of external discrimination and blockade. He suggested that attention be given to such criteria as the lack of external development assistance from other sources; the capacity of developing countries to absorb technical co-operation, including the ability to provide counterpart staff; and the need to compensate for certain historical events.

69. Several members referred to the influence of various of the supplementary criteria noted in DP/L.281, annex, table 4, in addition to those indicated above. A few members referred to the possibility of obtaining increased UNDP assistance as part offset against limited bilateral assistance. There was reference to the criteria of natural and man-made disasters; to the size of a country as a factor;

^{2/} See DP/L.281, annex, table 4.

to the land-locked countries; to countries with inadequate health and education standards; and to countries lacking credit facilities. One member felt that the over-all level of physical and social infrastructure should be taken into consideration. Some members stated that the list of supplementary criteria in table 4 was too comprehensive and could be streamlined. A member requested that the Administrator study these criteria.

70. Particular attention was given to the matter of the quantification of supplementary criteria. Several members considered that most supplementary criteria were not quantifiable and a member questioned whether the Administrator should be asked to determine weights for such criteria as: benefits to all the people, public health, etc. It was, in fact, often difficult to say whether they should have positive or negative values. Some members preferred to include those supplementary criteria that could be assessed and quantified in economic and financial terms. A member urged the inclusion of supplementary criteria even if they were not quantifiable and said that social factors must not be the Cinderella of the system. He stated that, while it might be necessary to go along with a simplistic system at this time, an endeavour should be made to improve it. It was recalled by a member that many of the supplementary criteria could be applied and had in fact been employed in the earlier years of UNDP. A member listed some criteria that could be quantified, such as: being land-locked; import and savings capacity; exhaustibility of natural resources; and debt burden. In the same context, another member mentioned a country's reliance on one or two basic products in the export sector, resulting in the need for a structural diversification of the economy. A member urged that some of the supplementary criteria in DP/L.281, annex, table 4 should be given more concrete treatment.

71. Some members favoured giving discretionary authority to the Administrator in applying supplementary criteria. A member stated that while these criteria must be binding on the Administrator, he should be given some flexibility. Some members considered that recourse to supplementary criteria could lead to much solicitation of the Administrator and lobbying from all sides, and this should arouse caution.

72. It was recalled that, at its fifteenth session, the Council had decided that supplementary criteria should provide the basis for considering at the sixteenth session the individual country allocation of 7.5 per cent of total resources available for distributed country IPFs. Several suggestions were made for the allocation of this 7.5 per cent of resources. One member stated that supplementary criteria should be accorded more than 7.5 per cent, while another urged the 7.5 per cent figure for this purpose. A member stated that, since supplementary criteria could be judged only subjectively, the 7.5 per cent should be used instead to offset negative changes in IPFs between 1972-1976 and 1977-1981. A member considered that supplementary criteria should be accorded 5 per cent, with the remainder put back into the basic scheme (employing population and per capita income). It was suggested by a member that 5 per cent should be made available for use at the discretion of the Administrator to meet special situations and that the remaining 2.5 per cent should go to the least developed countries. Several members favoured the following allocation of the 7.5 per cent: one third to be put into the basic scheme; one third to be directed to the least developed countries; and one third to be used, at the discretion of the Administrator, to offset negative changes in IPFs between 1972-1976 and 1977-1981, as calculated. Several members supported the idea that whereas 2.5 per cent should be used to offset negative changes, the remaining 5 per cent should go into the basic scheme. One member

submitted the suggestion that either all of the 7.5 per cent should revert to the basic scheme or, failing that, one half should go to the basic scheme and the other half be allocated on the basis of the ability to use technical co-operation and its effectiveness.

73. In considering the various ways of grappling with the matter of negative changes between the 1972-1976 IPF of a country and the basically calculated 1977-1981 IPF as indicated in DP/L.281, some members considered a special reserve fund as desirable, but differed as to whether the Administrator should have discretion as to its use. One member considered that resources for the fund should come from endeavours by recipient countries with per capita GNP above \$800 to achieve net contributor status and that use of the fund should not be automatic.

74. It was generally indicated that recipient countries with relatively high income should endeavour to achieve net contributor status in the Programme and members gave some consideration as to which countries should be included in this effort; the levels of their future IPFs; and the time required for this change in status. It was noted that, thus far, only two recipient countries at the upper end of the income scale were net contributors. Some recipient countries expressed a hope that they would achieve a net contributor status. A member hoped that account would be taken of the totality of a developing country's aid receipts from, and contributions to, international organizations. He stated that whereas his country was a net recipient from UNDP, it was a net contributor against the totality of all international organizations.

75. One member stated that he was open-minded as to the per capita GNP level above which recipient countries should endeavour to become net contributors to the Programme. One member referred to the \$500 level and requested data to show the impact of such countries' becoming net contributors. Some members suggested the \$800 level and one mentioned \$1,000.

76. A member considered that the transition to a net contributor status for a recipient country should occur at the highest possible level of IPF for the country and not by eliminating its future IPF. While the voluntary nature of the Programme precluded instructions to individual countries as regards net contributions, the member considered that the Council could exert its moral force in this matter. A member stated that his country's consideration of becoming a net contributor was on the basis of the present level of its IPF, but he questioned why it should increase its voluntary contributions in the circumstance that had been suggested, that IPFs should be cut off from some recipient countries with relatively high income. To make it easier for recipient countries above the \$1,500 per capita GNP level to become net contributors, a member suggested that their 1977-1981 IPFs should not be higher than current levels.

77. A member stated that net contributions from recipient countries with relatively high income should be viewed in the context of some decline in their future IPFs since the capacity of the Programme to render development assistance was limited and the purpose of the Programme must be to transfer technical co-operation resources to developing countries with most need. It was difficult for public opinion in some donor countries to be persuaded to increase support for the Programme if resources were to be used in aid of sophisticated projects in countries with relatively high per capita income. A member proposed that all recipient countries with a per capita GNP above \$800 might be asked to assume an increasingly larger share of their programme costs.

78. A member looked forward to the Administrator's report to the Council at its seventeenth session concerning the endeavour by some countries to move towards a net contributor status. He did not think it appropriate that a date common to all countries should be set for the achievement of such status.

79. Members agreed that attention had to be given to regional IPFs for 1977-1981. It was considered that some clearly identified criteria should govern future allocation among the regions in the Programme. Several members stated that the present distribution was unfair to their respective regions, which had been left far behind. One member viewed the funds available for regional projects in his area as below the amount needed to meet existing requests.

80. Several members were convinced that equity would be achieved if the shares of total resources available for regional IPFs in 1977-1981 were allocated among the various regions in proportion to the total IPFs for all the countries within each region for the same period. Some members did not consider this approach appropriate. One member suggested that, in addition to population and per capita income, there should be due regard, also, to the number of least developed countries and to the number of newly independent countries in the region. One member looked forward to a study on the matter which would take account of such regional characteristics as aggregate population and per capita income; the number of least developed countries; the average size of countries; the scope of regional institutions; the amount of the past regional IPF, etc.

81. In considering the proportion of the total field programme that should be allocated to regional IPFs in 1977-1981, one member favoured its reduction by 5 percentage points and suggested that the resources released should be channelled into the reserve fund suggested in paragraph 41 of DP/L.281. Several members considered otherwise and generally favoured an increase in the proportion being directed to regional IPFs. Some members stated that it would be useful to consider the determination of regional IPFs at the current session of the Council. Several members preferred that such a discussion be held over to the future. One member stated that since the current discussion on country IPFs was not tied to an assumed growth in resources, but was simply one of methodology, or of establishing shares among countries, it was possible to separate in time the reviews of country IPFs and of regional IPFs. A member requested that the Administrator should prepare some concrete proposals on the distribution of regional IPFs in 1977-1981, based on equity, for consideration at the seventeenth session of the Council.

82. In considering the time-table for the examination of, and decision on, criteria to be followed in establishing country IPFs for 1977-1981, it was the broadly held view that significant progress should be made at the current session. It was considered that the Council should now establish a clear-cut position - that the sixteenth session should be the occasion for an all but final agreement on criteria which, by the terms of General Assembly resolution 2972 (XXVII), was required from the seventeenth session of the Council. A member hoped, therefore, that at the current session some urgency would be combined with past caution. He recalled that the final decision required of the seventeenth session related only to criteria. Several members stated that final country IPFs could be calculated only shortly before the next development cycle and on the basis of up-to-date information. A member stated that the decision on future IPFs was one for the Council and that he would strongly oppose any abdication by the Council of its primary responsibility. Some members emphasized that the Council must agree on this issue by consensus. Some members preferred that a decision on the review of criteria should be postponed and a member stated that it was for the General Assembly to make a final decision on the matter.

Observations of the Administration

83. In replying to observations made during the discussion, the Deputy Administrator (Programme) indicated the need to rectify the weights used in the per capita income function beyond the \$500 level used in DP/L.281 since no ceiling had been employed therein; however, it would be preferable not to be too precise at this time as to the new weights.
84. The Deputy Administrator suggested that the present discussion concerned IPF shares as well as criteria for establishing them. The present review and the subsequent compromise must relate not simply to shares but to absolute IPFs and must consider the floor. There was a need to know these absolute figures for 1977-1981 since UNDP would have exhausted its approval capacity from present IPFs well before that time. He considered it better, therefore, to adopt only one assumption about the growth of resources, rather than the four rates assumed in DP/L.281. Acting with one assumption, it would be easier to work towards a compromise as regards the floor. Concerning the supplementary criteria, the Deputy Administrator said it was not necessary to be too specific about them. It was, however, necessary to ensure that one quarter of the funds represented by 7.5 per cent of total resources to be allocated on the basis of such criteria was directed to the least developed countries.
85. Concerning the problem posed by negative changes between 1972-1976 and calculated 1977-1981 IPFs, the Deputy Administrator said that since it could not be solved by reducing the IPFs of the least developed and other low-income countries, the way out was to look for finance from outside the system - i.e. outside the 92.5 per cent of total resources available for distributed country IPFs. Such finance might be provided from the 7.5 per cent reserved for allocation on the basis of supplementary criteria, but only to a limited extent, from voluntary surrenders of IPFs by a significant number of countries and from a somewhat arbitrary assumption of an increase in resources beyond that implied in the assumed rate of growth.
86. Replying to other points, the Deputy Administrator said that the concept of net contributor status applied to a country's inflow of funds from, and outflow to, UNDP and that a country's contributions to other parts of the United Nations could not be reflected in the concept. On the matter of regional IPFs, the Deputy Administrator stated that he had raised the issue with the Council at this time because the over-all level of resources allocated to them was relevant to the absolute figures for country IPFs. The Administration preferred to see an increased share of future UNDP resources directed to regional and global activities. He agreed that the determination of the distribution of total resources for regional IPFs among individual regions could be considered at a later date.
87. The Deputy Administrator stated that Oman and the United Arab Emirates were recipients of UNDP assistance under undistributed IPFs. He indicated that he would be glad to receive communications on the population and per capita GNP data that countries thought would be appropriate in calculating their future IPFs. He stated that it would be preferable to avoid introducing the amount of bilateral aid that a country received as an element in determining its future IPF from the Programme. He stated that the Administration was prepared to assist a working group on IPFs if one was established at the current session.

Working Group on Review of Criteria to be Followed
in Calculating Indicative Planning Figures

88. At its 382nd meeting, the Governing Council established a working group, which held 10 meetings, to prepare a text concerning criteria to be followed in calculating indicative planning figures for the 1977-1981 period.

89. At the 392nd meeting of the Council, the Chairman of the group, Mr. Sigismond Marcuard (Switzerland), introduced a draft decision which he felt represented the compromise most likely to be acceptable for adoption by the Council. He reviewed the provisions of the proposed decision and indicated that he had been asked to state that the reference to "an equitable distribution of resources available for distributed country IPFs in 1977-1981" should be interpreted to mean that, in calculating new IPFs, the Administrator would take into account, particularly in regard to the supplementary criteria, the need to eliminate inequalities due to historical circumstances. He expressed the hope that members of the Council would not suggest changes in the proposed text, which represented a delicately balanced compromise of the divergent views which had been expressed during the discussions in the Council and in the working group. He also noted that the Administrator was simply asked to present illustrative IPFs, based on the proposed decision, to the Council for its consideration at the seventeenth session.

Decision of the Governing Council

90. At its 392nd meeting, the Governing Council adopted the following decision recommended to it by the working group:

I

The Council takes note of DP/L.281 and the illustrative calculations therein and invites the Administrator to propose to the Governing Council at its seventeenth session further illustrative calculations of IPFs for the period 1977-1981 by applying the following guidelines:

(a) The basic criteria for calculating IPFs shall be per capita GNP and population of the country concerned, complemented where appropriate and to varying extent by the supplementary criteria contained in the annex to this decision;

(b) There shall be an equitable distribution of resources available for distributed country IPFs in 1977-1981. The assumptions about resources and the methodology for distribution set forth below shall ensure that the least developed among the developing countries obtain as a whole at least 25 per cent of total resources available for distributed country IPFs, that the position of all other countries at the lower end of the per capita GNP scale as a whole is significantly improved as reflected in the basic illustrative amounts outlined in document DP/L.281 and that the IPFs for all recipient countries shall not be reduced below the 1972-1976 levels;

(c) Manifesting the universal and voluntary character of the Programme:

(i) All participants shall strive to increase regularly their contributions to the Programme so as to ensure an over-all growth in contributions at an annual rate of at least 9.6 per cent, until 1981;

- (ii) Countries with relatively high level of per capita GNP should in a spirit of co-operation and for the sake of further expansion of the Programme, have no increase in their IPF and countries at the upper end of the per capita GNP scale shall in the same spirit, in order to become gradually net contributors as soon as possible and not later than the end of the second cycle, inter alia, increase their voluntary contributions to UNDP;
- (iii) 92.5 per cent from the resources available for distributed country IPFs due to the assumed increase in total contributions of 9.6 per cent per annum shall be apportioned essentially according to the basic method employed for sharing resources in DP/L.281 and its application - using up-to-date acceptable data on population and per capita GNP - amended to include declining weights for recipient countries with a per capita GNP of \$500 and above;
- (iv) 7.5 per cent from the resources available for distributed country IPFs due to the assumed increase in total contributions of 9.6 per cent per annum shall be used by the Administrator in calculating IPFs for distribution according to the supplementary criteria, especially the magnitude of the country's economic and social development effort.

II

The Council expresses the hope that, at its seventeenth session, it will finalize the new criteria for calculating IPFs for the 1977-1981 period pursuant to General Assembly resolution 2972 (XXVII) on the basis of the guidelines set forth above.

Annex

The supplementary criteria are:

- (i) The special needs of newly independent countries, land-locked countries and countries suffering from acute ecological and geographical disabilities;
- (ii) The magnitude of the country's development effort; the extent to which the Government is making structural changes to promote the development process; and the distribution of income and other elements of the establishment of social justice;
- (iii) A country's cumulative debt burden and over-all balance of payments deficit; the chronic deterioration of the terms of trade;
- (iv) The effort being made to co-ordinate UNDP resources with the country's national development plans and/or priorities;
- (v) The difficulties of a country in participating in regional and/or subregional development activities; and
- (vi) The correction of inequalities due to historical circumstances.

E. INDICATIVE PLANNING FIGURES FOR INTERCOUNTRY PROGRAMMES

91. Following the approval by the Governing Council of the above decision on the criteria to be followed in calculating country IPFs, the Council had a further discussion of the question of indicative planning figures for regional programmes on the basis of a proposal made by one member (see also paragraphs 79-81).

92. Several members emphasized the inequity of the IPF allocated to their particular regions for 1972-1976. Some members belonging to two different regions pointed to the inadequacy of their regions' IPFs, taking into account the needs of these regions. This, in the opinion of one member, underlined the importance of placing the distribution of IPFs on a more rational and scientific basis.

93. There was a wide measure of agreement that a study of the criteria for regional IPFs should be made so that the Council could arrive at an equitable distribution of IPFs among the various regions which would properly reflect the needs of the countries in each region. It was suggested that the factors to be taken into account in this connexion should include: per capita GNP and population, which in the opinion of one member should be the main criteria; the total number of countries in a given region; the size of countries; the number of least developed countries; the number of land-locked countries; the inadequacy of public health facilities; the level of literacy; the rate of industrialization; assistance granted under General Assembly resolutions to national liberation movements, under regional IPFs; the existing regional organizations through which UNDP could provide effective assistance; regional initiatives of a multinational character designed to promote regional integration; and the special needs of each region. Some members, stressing the importance of equitable distribution of IPFs among regions, recalled the provisions of the Consensus concerning intercountry programming.

94. One member stressed the importance of the principles underlying regional and interregional programmes and suggested that any study to be undertaken on criteria for the distribution of IPFs among the regions should take into account the report by the Administrator on regional and interregional projects (DP/L.256), submitted to the Council's fifteenth session, and the views expressed thereon.

Decision of the Governing Council

95. At its 393rd meeting, the Governing Council invited the Administrator to present to the Council at its seventeenth session, taking into consideration the observations made by members during the debate, a report on the criteria to be followed in calculating regional indicative planning figures for 1977-1981.

CHAPTER III

UNITED NATIONS VOLUNTEERS

96. Under item 5 of its agenda, the Governing Council considered the report by the Secretary-General and the Administrator of the United Nations Development Programme on United Nations Volunteers (UNV) (DP/L.278).

97. In introducing the report, the Deputy Administrator (Administrative) cited the basic precepts which led the General Assembly to establish the UNV programme. In particular, he stated that the General Assembly had recognized that the efforts towards the betterment of human life did call for a dynamic and conscious participation of younger persons and that the resources, energies and dedication of youth should be effectively mobilized in the development efforts of the international community.

98. Commenting on the programme's inability to live up to early projections, the Deputy Administrator referred to the difficulty of making a true assessment in the short course of the programme's activities, which ranged over two years. In his view, various factors explained the modest beginning. These included the complexities of the programme, its relatively late initiation when compared with bilateral programmes, its cost structures calling for recipient countries to meet in-country costs and reliance on sponsoring organizations to provide external costs.

99. The Deputy Administrator indicated that the basic objective was to increase the volume of the programme's operations to a total of approximately 500 United Nations Volunteers in the field in the next three years. He also recognized that at an appropriate stage UNV would need to review the question of collaborating with an assisting domestic volunteer services, a field which had assumed increased importance. In this context, UNDP was exploring with UNESCO and the United Nations Office of Technical Co-operation the possibility of providing assistance to a few selected pilot projects involving domestic volunteer services.

100. With respect to recruitment arrangements, the Council was informed that the agreement with the International Secretariat for Volunteer Service (ISVS) had been renegotiated and extended for a further period of 14 months expiring in mid-1974. In the meantime UNV would take parallel steps to build up its own recruiting machinery with a view to assuming principal responsibility for recruitment, working directly with sponsoring agencies and organizations.

101. In order to ensure future developments on the right lines, he proposed the following plan of action:

- (a) To field teams of volunteers in a selected number of countries;
- (b) To concentrate on the least developed countries, which were not required to meet in-country costs of volunteers from their IPFs;

(c) To increase the relative number of volunteers from developing countries; and

(d) To increase the capacity of the field offices in four to six key countries by assigning field staff, e.g. experienced ex-volunteers and Junior Professional Officers responsible for volunteer support.

Summary of discussion

102. The spirit and objectives of the United Nations Volunteers programme received the broad support of members of the Council. Many members acknowledged that, in the light of the newness and complexities of the programme, the progress attained constituted a positive step forward. They warmly endorsed the efforts of the Co-ordinator of the programme in successfully initiating this complex undertaking. The proposed plan of action aimed at increasing the number of United Nations Volunteers in the field in the coming years also met with the general endorsement of the Council.

103. Many members expressed the view that the programme was viable and capable of rendering an important contribution in the over-all development efforts by providing an additional source of trained manpower at modest cost. It was stressed, however, that the basic terms of reference of the programme should be observed, namely, to send United Nations Volunteers only in response to Government requests and to ensure that volunteers possessed the necessary skills and qualifications in keeping with job descriptions.

104. The dual objective of concentrating on a selected number of countries and placing teams of United Nations Volunteers was generally endorsed by members of the Council. Many members noted that maximum concentration should be focused on least developed countries where UNV assistance would be particularly relevant. Measures to waive local costs as a charge against their IPFs were welcomed. It was generally accepted that the team approach with multidisciplinary teams in selected countries would have a greater impact in the over-all efforts. Other advantages were also cited, notably the provision of training as well as proper planning and administrative support which this approach would facilitate. In the view of one member, being a part of a team rather than an individual would generate and sustain enthusiasm and dedication in the volunteer.

105. One member observed, however, that the selected country and team proposals would not be sufficient. What was necessary was a more intensive elaboration of the requests for volunteer services from an integrated project point of view. A closer involvement of the Regional Bureaux at Headquarters could give the desired results. In the view of another member, it was important to exercise caution in the implementation of the team concept since there might be cases where individual volunteer assignments would be called for and the resulting costs for more volunteers would not be justified.

106. Members generally recognized the need to assign field staff for teams of volunteers. However, some members were not in favour of incurring additional costs through the creation of an elaborate administrative machinery. They supported the idea of assigning Junior Professional Officers or ex-volunteers to assume this function in countries where a relatively large number of volunteers were placed and where administrative support was needed.

107. Referring to the proposal to concentrate UNV assistance in the least developed countries, one member pointed out the difficulty of reconciling the basic mandate of the programme with this proposal. In his view, since Governments would play the decisive role in determining whether to request UNV assistance or not, it was not clear how the Administrator would be in a position to give effect to this proposal.

108. Several members commented on the proposed guidelines for volunteer assignments. They stressed the importance of ensuring that volunteer assignments had clearly identifiable and attainable goals in which volunteers could have a measurable impact. Among further important considerations, it was stated that volunteers should be associated with front-line activities at the grassroots level in close contact with local populations. The view was also expressed that the essential rationale of volunteer service would be lost if volunteers were asked to do administrative work. It was noted that the guidelines would help UNV to form an identity and improve over-all programming.

109. Members of the Council recognized the crucial importance of proper recruitment for the over-all success of the programme. Many members endorsed the Administrator's proposal that UNV should assume the principal responsibility for its own recruitment, working directly with volunteer agencies and organizations. They generally noted with satisfaction the proposed arrangements under which the agreement with ISVS was renegotiated and extended until the middle of 1974, during which time UNV would take parallel measures to strengthen its own recruitment machinery towards assuming full responsibilities in this field.

110. Members were unanimous in their view that recruitment from developing countries should be encouraged and promoted. It was observed that candidates from developing countries, being accustomed to similar conditions in their own countries, would adapt more readily to their new assignments. In addition, experience gained in the field of development in other developing countries could be put to effective use in their own countries following completion of their assignments. One member noted that recruitment should not be confined to young people. The scope of the programme should be expanded to include older people with dedication who could also bring with them experience and higher knowledge. Another member said that it would be helpful to involve the resident representatives and agency field personnel in recruiting efforts, particularly in those developing countries where there was a dearth of volunteer sponsoring agencies.

111. While supporting in principle the gradual building up of recruiting capacity within UNV itself, one member expressed the opinion that until such time as an effective capacity for recruiting was created within UNV, which, in his view, might take two or three years, the current arrangements with ISVS should continue. Some concern was also expressed by another member whether UNV, with its limited experience, would be in a position fully to take over its own recruitment. The question was also raised whether recruitment by UNV would in effect be cheaper than existing arrangements. One member favoured dealing with existing volunteer associations rather than undertaking recruiting directly, since, in his view, there would be a risk of losing the spirit of volunteers in the bureaucratic procedures of the United Nations and Governments.

112. Several members underlined the need for proper pre-service training. Emphasis was laid on training in the country of service which, it was maintained,

had greater relevance and utility. In particular, appropriate language qualifications and proper knowledge of prevailing customs and traditions of host countries were stressed. It was said that training for candidates for developing countries was especially necessary since proper facilities were lacking in these countries. It was, therefore, recognized that UNDP would need to make provision for relevant costs in the field of training.

113. Some members noted the importance of proper evaluation of volunteer assignments in the long-term. It was felt that such evaluation could provide useful information on the contribution and impact that volunteers were making in their over-all activities.

114. Several members endorsed the proposal to explore ways in which UNV could play a meaningful role in assisting domestic volunteer services. It was noted that the establishment of such services could help to tap great human potential in developing countries, where half the population fell under the youth category. It was also suggested that, for the present, UNV should concentrate its efforts in the primary area of its responsibility, leaving UNDP to initiate appropriate pilot projects in the field of domestic volunteer services.

115. In the course of the discussion, the representative of the Federal Republic of Germany announced a pledge of 100,000 Deutsche Mark for 1973 to the Special Voluntary Fund, reflecting an increase over its previous pledge of 70,000 DM for 1972. Some members noted the importance of contributions to the Fund and expressed the hope that more pledges would be forthcoming.

Observations of the Co-ordinator of UNV

116. The Co-ordinator said that, in the implementation of UNV, the terms of reference outlined in General Assembly resolution 2659 (XXV) had been strictly adhered to. Qualified United Nations volunteers from developed and developing countries were recruited only in response to explicit requests of recipient Governments. In practice, the final decision on acceptance or rejection of individual candidates also rested with the Governments. These considerations did have a significant bearing on the degree and extent of the programme's growth and operations, which, he believed, represented a positive achievement.

117. He said that recruitment difficulties had been experienced by ISVS and its constituents since candidates with the technical qualifications required for UNV posts were not always easy to find. In this context, he observed that with the establishment of proper channels of recruitment in developing countries, the UNV should be able to draw from the great pool of qualified young persons which certain developing countries could provide.

118. The Co-ordinator stressed that it was important for the programme to remain close to the younger generation. UNV, therefore, had to maintain a clear, independent identity of its own.

Decision of the Governing Council

119. At its 374th meeting, upon conclusion of its discussion, the Governing Council:

(a) Took note with appreciation of the report of the Administrator (DP/L.278) and of the views expressed during the discussion;

(b) Approved the plan of action contained in the relevant paragraphs of the report;

(c) Requested the Administrator to give all possible assistance and take appropriate measures towards ensuring the further growth and development of the programme.

CHAPTER IV

FINANCIAL MATTERS

120. The Governing Council considered the financial matters before it under item 8 (a), (c) and (d) of its agenda on the basis of the reports of its Budgetary and Financial Committee on the following questions:

- (a) Financial outlook of UNDP, 1972 to 1976, and comprehensive report on financial activities during 1972 (DP/L.291/Add.6);
- (b) Agency overhead costs (DP/L.291/Add.3);
- (c) Assessed programme costs payable in local currency (DP/L.291).

A. FINANCIAL OUTLOOK OF UNDP, 1972 to 1976, AND COMPREHENSIVE REPORT ON FINANCIAL ACTIVITIES DURING 1972

121. Under item 8 (a) of the Governing Council's agenda, the Budgetary and Finance Committee had for review, for the purpose of making appropriate recommendations to the Governing Council, document DP/L.284, which: (a) provided estimates of resources and Programme costs for the period 1972-1976 and disclosed a planning deficit for the period; (b) described alternative ways of dealing with the projected deficit and set forth the Administration's viewpoint on a proposal to merge overheads with IPFs with a view to effecting economies in the Programme; (c) presented data on cash flows and analysed the liquidity problem; (d) reported on the results of a preliminary inquiry into the effect of cost increases on the Programme; and (e) appended several annexes which set out the over-all status of UNDP finances during 1972.

Summary of discussion in the Committee

122. The projected deficit was viewed from two perspectives during the course of discussion. The first was a wide-angle view which encompassed its effects over the full IPF period; the second focused more sharply on its impact on individual years of the Development Cycle, particularly the year 1974 when the first shortfall in income seemed likely to appear.

123. There was general agreement that a clear picture on the possible size of the anticipated deficit for the period would emerge only after the results of the 1974 Pledging Conference were made known and after another year's experience had been gained on the real rate of programme delivery shortfalls. It would be some time during the course of 1974, therefore, that the Council would have to consider what concrete action would be necessary should it then appear that a deficit would in fact materialize by the end of 1976.

124. With regard to the deficit now foreseen as materializing for the year 1974, much would depend on the rate of programme delivery during 1973. If planned

levels of delivery of some \$378 million as shown in table 1 of document DP/L.284 were to become real, then a deficit was almost certain in 1974. The situation would be under continuous review by the Administrator, who would inform the Council in January 1974 in the light of his assessment of the situation for 1974 at that time whether specific action was required.

125. Some concern was expressed over the disparity between planned and actual levels of delivery during 1972 as depicted in table 1 of the document and its pertinent foot-note. Members indicated that it was clear that the lag in delivery time should be shortened and requested that they be kept abreast of the situation from time to time.

126. Commenting on the projected deficit, several members recalled that UNDP was a joint endeavour and that the target of an increase in voluntary contributions of 9.6 per cent was an objective common to all. One member made an appeal to those donor countries whose contributions were equal to, just below, or just above the returns obtained through subcontracting and from purchase of equipment for programme activities, to make a special effort to raise their financial participation in the Programme. There was a divergence of opinion as to whether or not the unspent balance of Programme Reserve funds should roll forward each year for the remainder of the first Development Cycle in the light of the tight financial situation. This question would have to be reconsidered at the eighteenth session of the Council in the light of the financial situation and the priorities existing at that time. In the light of the deficit, members supported the Administrator's actions to hold IPFs at currently approved levels.

127. Members again voiced concern over the increasing percentage levels of administrative and programme support costs in relation to field programme costs. One member stated that increases in administrative and programme support costs should in no case exceed the rate of increase in programme costs. In this connexion, members noted the results of the preliminary inquiry undertaken by the Administrator into the effect of cost increases on the Programme over the past several years and requested that a broader study be prepared for the eighteenth session which would describe separately the impact of inflation and of currency fluctuations and realignments on the Programme. One member, taking into account the financial difficulties of the Programme, suggested that the level of administrative and programme support costs be stabilized at the level of the 1973 budget which might result in considerable economy by 1976 amounting to approximately \$16 million. He also referred to the Capacity Study ^{3/} and stated that, until considerable expansion of UNDP resources was achieved, it was desirable to make the Programme more effective and economical by stabilizing the administrative and programme costs, thus making more funds available for programmes in the developing countries.

128. With regard to the Administrator's position concerning the merging of overheads with IPFs, several members found themselves unable to accept the arguments advanced by the Administrator. Members agreed that any attempt to modify existing methods of dealing with overheads should await the full development of the cost measurement system. The Administration assured members, nevertheless, that the idea would be kept alive and would be dealt with at the request of the Council in the light of circumstances which might prevail at that time.

^{3/} Study of the Capacity of the United Nations Development System (United Nations publication, Sales No.: E.70.I.10).

129. Members welcomed the data provided by the Administration on cash flows and their effect on the liquidity of the Programme. Several members indicated their intention to continue to make payments early in the calendar year and made a general appeal to those members who normally paid their contributions late in the year to make every effort to make earlier payment; a special appeal was also made to members in arrears to be forthcoming.

130. Several suggestions were also made to the Administration concerning steps towards liquidity improvement. Among these were shifts in the investment portfolio, reductions of operational cash balances as close to the margin as would be feasible, and reduction of the promissory notes receivable from Governments which formed part of the Operational Reserve. In this connexion, one member recalled the circumstances under which its Government had issued letters of credit to UNDP and stated that it would not be possible to accelerate cash payments thereon without an impact on the level of the annual voluntary contributions from that member State.

131. With regard to the annexes containing information on 1972 financial operations, some members suggested that it would be helpful if a narrative could be provided, highlighting the important features of individual annexes.

Decision of the Governing Council

132. At its 389th and 390th meetings, on the recommendation of the Budgetary and Finance Committee, the Governing Council adopted the following decision, subject to the reservations and observations expressed in the Budgetary and Finance Committee and in the Council:

The Governing Council

(a) Took note of document DP/L.284 setting out resource and programme cost projections of UNDP for the period 1972-1976, the liquidity position, and the comments made thereon;

(b) Noted the tight liquidity position, and accordingly appealed to Governments to make every effort for immediate payments of all arrears and to make every effort to pay annually their contributions, both voluntary and other, to the Programme as early in the calendar year as possible;

(c) Decided that the unutilized balance of the Programme Reserve in 1972 should revert to the general resources;

(d) Requested the Administrator to inform the Council on a regular basis on the effective rate of programme delivery and its impact on annual expenditure patterns;

(e) Noted the projected deficit for the period and decided to consider in 1974, in the light of the latest data available at that time, measures to be taken in accordance with the terms of the decision taken at its fifteenth session;

(f) Requested the Administrator to prepare and submit to the eighteenth session of the Council a report on the impact of inflation and currency fluctuations and realignment, bearing in mind the comments made in the Budgetary and Finance Committee;

(g) Requested the Administrator to prepare and submit to the Council after the Cost Measurement System had been put into effect a further study on the proposal to merge budgetary allocations for agency overhead costs with IPFs, including an analysis of alternative methods of minimizing the impact on country IPFs of overheads charged to projects executed through subcontracting outside the United Nations system.

B. AGENCY OVERHEAD COSTS

133. Under agenda item 8 (c), the Budgetary and Finance Committee had before it a progress report by the Administrator (DP/L.285) conveying the conclusions reached by the Administrative Committee on Co-ordination (ACC) on the basis of a review by its subsidiary body, the Consultative Committee on Administrative Questions (CCAQ), of the report of the Joint Inspection Unit (JIU) entitled "Report on the Introduction of Cost Accounting in the Organizations of the United Nations Family" (see DP/L.251/Add.1).

Summary of discussion in the Committee

134. In commenting upon the conclusions reached by CCAQ, several members indicated that they, like the author of the JIU report, attached much importance to a capturing of costs at the project level and expressed concern at the apparent reluctance of CCAQ to come to immediate grips with this singularly important problem. These members reiterated the advantages, cited at earlier sessions of the Budgetary and Finance Committee, of adopting such a system, and expressed a desire to have the cost-measurement system include as soon as feasible this particular JIU recommendation. In the meantime, they would hope to see, as an outflow from the experimental figures now being developed, comparative data by project type.

135. One member confirmed his delegation's previous position on this problem, according to which the overhead expenses of specialized agencies should be minimized and fully covered by UNDP. He was not in favour of the continuation of the present procedure under which overhead costs related to the execution of UNDP-assisted projects were partially financed by the agencies' regular budgets. He requested an in-depth study of this problem by the CCAQ Task Force on a Cost Measurement System in co-operation with the Joint Inspection Unit, taking into account the above observations.

136. There was unanimous agreement that existing overhead arrangements should continue for the year 1974 on the condition that if the results of the cost measurement system to be made known to the Council at its eighteenth session were to prove solid enough for a determination of new agency overhead policy, then new arrangements might be applied, in agreement with the agencies, retroactively to 1 January 1974.

Decision of the Governing Council

137. At its 389th meeting, on the recommendation of the Budgetary and Finance Committee, the Governing Council:

(a) Took note of document DP/L.285 and the views expressed thereon by the Budgetary and Finance Committee;

(b) Approved the continuation into 1974 of present arrangements for the payment of overhead costs to agencies, it being clearly understood that the Council might decide, in agreement with the agencies to introduce a new arrangement with retroactive effect to 1 January 1974 on the basis of the results of the cost measurement system to be provided to the Council at its eighteenth session.

(c) Directed the Administrator to inform the Administrative Committee on Co-ordination of its desire to secure (i) comparative data on agency overhead costs by project type concurrently with the results of the first phase of the cost measurement system currently being developed and (ii) comparative data on an individual project basis as soon as feasible thereafter.

C. ASSESSED PROGRAMME COSTS PAYABLE IN LOCAL CURRENCY

138. Under agenda item 8(d), the Budgetary and Finance Committee had for consideration, in document DP/L.283: (a) a proposal by the Administrator to waive assessed programme costs totalling \$1,859,490 due from the least developed of the developing countries for the period prior to 1 January 1972, from which date the current system of automatic waivers to these countries applied; (b) information provided by the Administrator on full and partial waivers totalling \$2,445,614 granted by him for the years 1972 and 1973 to countries other than the least developed of the developing countries under authority of UNDP Financial Rule 107.2; and (c) a study by the Administrator on the effect of abolishing assessed programme costs payable in local currency.

Summary of discussion in the Committee

139. The proposal to waive assessed programme costs totalling \$1,859,490 due from the least developed of the developing countries for the period prior to 1 January 1972 met with the unanimous approval of members.

140. Members also viewed favourably the Administrator's decision to grant full and partial waivers totalling \$2,445,614 for the years 1972 and 1973 to a number of other countries temporarily or permanently disadvantaged under an array of differing circumstances. Nevertheless, members were interested in knowing and being kept abreast of the criteria used by the Administrator in granting such waivers.

141. In this connexion, the UNDP Administration informed the Committee that since the Council itself had found difficulty in developing firm waiver benchmarks, leaving the Administrator to exercise the proper discretionary authority, the Administrator had been proceeding in the granting of waivers on a case by case basis. This was done in a very limited way bearing in mind the acute financial situation and indeed the Council's wish that the Administrator proceed with caution in the granting of such waivers.

142. The decision-making process was a joint one involving careful consideration by both the Bureau of Administration and Finance and the regional bureau

concerned. A final decision was reached in each case in the light of a review of a host of considerations including, for example, whether the country was land-locked, whether its internal economy and its balance of payments position had been thrown out of joint by price depressions in world commodity markets, and whether its economy exhibited critical symptoms in the wake of physical dislocations caused by natural phenomena such as earthquakes, typhoons, floods and drought.

143. In this latter connexion, one member referred to the severe drought which had parched the lands of the Sahelian zone of Africa and wondered why waivers of assessed programme costs had not been granted to Mauritania and Senegal, two of the six countries which had been hit by the drought and which did not enjoy automatic waiver privileges as did the four hard-core least developed countries which shared their plight. The UNDP Administration explained that waivers were granted only after receipt of a specific request from a country; the Administrator would, in these particular instances, react favourably and quickly to waiver requests from these Governments. This contemplated act by the Administration found favour with members.

144. There was mixed reaction to the Administrator's recommendation to maintain assessed programme costs as a source of revenue. One member referred to the voluntary nature of the Programme and viewed assessed programme costs under the present system of country programming as infringing this basic principle of the Programme. Another considered that partial waivers should be granted in cases where Governments were making substantial counterpart contributions, part of which specifically covered the costs of activities normally considered as being financed under assessed programme cost revenues. A few members were of the view that assessed programme costs should be permanently maintained as a source of revenue. There was a consensus in the Committee that while financial prudence would require the retention of present arrangements for the current IPF period, a re-thinking of the problem should take place early enough for a decision to be reached on the permanent fate of the assessed programme cost scheme. In this connexion, one member suggested, with general support, that a position paper on the subject should be prepared dealing with the principles underlying such assessments; the administrative effects of abandonment of the system; its indirect effect on the balance of payments position, taking into account its multiplier effect on national income and its subsequent impact in terms of increased imports; and the alternative ways of compensating for the income foregone.

Decision of the Governing Council

145. At its 389th meeting, on the recommendation of the Budgetary and Finance Committee, the Governing Council:

(a) Took note of document DP/L.283 and the expressions of views made thereon by members;

(b) Approved the waiver of outstanding programme costs totalling \$1,859,490 due from the least developed of the developing countries for assessments made prior to 1 January 1972;

(c) Took note of the waiver of assessed programme costs totalling \$2,445,614 granted by the Administrator for the years 1972 and 1973 to the countries listed in paragraph 3 of document DP/L.283 in the amounts stated therein;

(d) Decided, in the light of the present financial situation, to maintain the present system of programme cost assessments at least until the end of the current IPF period;

(e) Requested the Administrator to prepare a further in-depth study prior to the end of the present Development Cycle on the advantages and disadvantages of the present system of programme cost assessments taking into account the considerations cited in paragraph 144 above.

CHAPTER V

ADMINISTRATIVE AND BUDGETARY MATTERS

146. The Governing Council considered the administrative and budgetary matters before it under items 8 (b), (e), (f) and (g) of its agenda on the basis of the reports of its Budgetary and Finance Committee on the following questions:

- (a) United Nations staff college (DP/L.291/Add.4);
- (b) Headquarters premises of UNDP (DP/L.291/Add.1);
- (c) Budget estimates for the year 1974 (DP/L.291/Add.5);
- (d) Composition of UNDP Headquarters and field offices (DP/L.291/Add.2).

A. UNITED NATIONS STAFF COLLEGE

147. Under agenda item 8 (f), the Budgetary and Finance Committee had for consideration, in document DP/L.279, a proposal by the Administrator which sought the Council's approval for UNDP participation in a series of staff training courses to be developed by the United Nations Institute for Training and Research (UNITAR) and conducted as an integral part of UNITAR activities under the direction of a Division for International Staff Training. UNDP involvement in the scheme, in financial terms, would run at a maximum level of \$50,000 per annum during the initial development of the programme when UNDP's training needs would be shaped.

148. A representative of UNITAR participated fully in the discussion of the Committee, and answered several questions raised by members on the nature of the contemplated arrangements.

Summary of discussion in the Committee

149. Several members expressed disappointment at the fact that a clear outline of all UNDP's training needs had not yet been developed and that no indication was given as to how these training needs would mesh with those of agencies. There was further comment on the absence of information on the design of courses to be conducted by UNITAR, the content of the curriculum, and their compatibility with what was currently being done throughout the United Nations system. One member expressed the view that during this phase of adaptation of the Administration to the system of country programming it would seem more rational to develop new methods and procedures. To this end, the research activities of UNITAR could prove helpful. He feared that in the absence of such research, training might turn out to be a repetition of out-dated procedures.

150. Some members said they gathered the general impression that a master plan had not been designed, and that the present scheme seemed to be tailored down from earlier proposals as a form of compromise which could perhaps be further compromised.

151. Members expressed uneasiness over the fact that other governing bodies had not yet endorsed the present scheme and that, accordingly, funds had not yet been voted. They hoped that UNDP would not have to pay more than its fair share of the undertaking. There was genuine concern over the high per capita cost of courses.

152. As to the venue of courses, several members suggested that course sites should not be limited to New York and Geneva. The view was also expressed that the term "International Staff Training Scheme" would more accurately describe the present undertaking and should therefore replace the term "United Nations staff college".

153. A majority of members, while sharing many of the doubts expressed by those who opposed the Administrator's proposals, supported those proposals. They did so conditionally, however. The first of two conditions was that agencies should contribute their fair share towards the scheme. If they did not, UNDP should withdraw from the scheme. The second condition was that the Council should be kept informed about developments and that a comprehensive report be made to a later session of the Council for a decision as to the continuation of UNDP's contribution to the scheme.

Decision of the Governing Council

154. At its 389th meeting, on the recommendation of the Budgetary and Finance Committee, the Governing Council:

(a) Took note of document DP/L.279 and the views expressed thereon by the Committee;

(b) Approved on an experimental basis for one year UNDP participation in the UNITAR training courses described therein, with particular reference to the line of approach described in paragraphs 3 (a) through (d) and paragraphs 5 (a) through (d) at a maximum cost of \$50,000, subject to the following conditions:

- (i) Such participation would be conditional upon participation by the agencies, which would contribute proportionally to their share of places in the project; and
- (ii) That the Administrator would present to the eighteenth session of the Council a clear outline of UNDP's over-all training needs as well as a full description of the status of UNDP's participation in the UNITAR project together with firm suggestions as to the advisability of continued participation by UNDP in the project.

B. HEADQUARTERS PREMISES OF UNDP

155. Under agenda item 8 (e), the Budgetary and Finance Committee had before it a report by the Administrator (DP/L.282) setting forth specific proposals and recommendations on the matter of headquarters premises.

156. In a brief introduction, the Assistant Administrator, Bureau of Administration and Finance, informed the Committee that, following intensive consultations with the Secretary-General during the past months, an acceptable solution had been worked

out with the United Nations regarding the rental of office space with option to purchase, for UNDP and UNFPA headquarters staff in the new office building to be constructed by the United Nations Development Corporation. He assured members of the Committee that all necessary legal and financial preparations regarding UNDP interests had been completed and that building operations had commenced. In the light of these encouraging developments, it was anticipated that actual occupancy by UNDP could take place in two years, barring strikes or other delays. He also paid tribute to the continuous and arduous efforts of the local, state and federal authorities of the host Government for their assistance in bringing the project to fruition.

Summary of discussion in the Committee

157. Members of the Committee expressed their strong support for the proposed arrangements for UNDP headquarters premises and noted with particular satisfaction that the new accommodation would represent a marked improvement, in terms of both efficiency and cost, over the existing cumbersome and expensive arrangements.

158. One member sought clarification of a circular letter received from the Secretary-General on 26 February 1973 requesting offers of sites for a United Nations office building. Another member wondered how long the amount of space to be leased to UNDP would suffice to meet its personnel requirements.

Observations of the Administration in the Committee

159. In responding to the questions raised, the Assistant Administrator, Bureau of Administration and Finance, indicated that in the light of future requirements for new organizational entities beyond what the new arrangements in New York could handle, the Secretary-General wished to have at hand an inventory of other possibilities. He also pointed out that the amount of space allotted to UNDP and UNFPA in the new building was calculated to satisfy anticipated staff requirements up to the early 1980s. Responding to another question, the Assistant Administrator explained that the letter of intent in question did not have legally binding force; nevertheless there was reason to expect that it would constitute a moral commitment which would be respected.

Decision of the Governing Council

160. At its 389th meeting, on the recommendation of the Budgetary and Finance Committee, the Governing Council:

(a) Took note of document DP/L.282 as well as of the views expressed thereon in the Budgetary and Finance Committee;

(b) Authorized the rental of approximately 120,000 square feet of space for UNDP headquarters in the office building being constructed by the United Nations Development Corporation, on the understanding that the rental rate would be substantially less than average rates now being paid, that real estate taxes would not apply, and that the initial term of the lease would be for a period of not less than eight years from the time of occupancy, currently anticipated as August 1975.

C. BUDGET ESTIMATES FOR THE YEAR 1974

161. Under item 8 (b) of the agenda, the Budgetary and Finance Committee had before it the Administrator's budget estimates for the administrative and programme support services of UNDP for the year 1974 (DP/L.276 and Add.1) and the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (DP/L.287).

162. In initiating consideration of this item in the Committee, the Administrator emphasized that the 1974 estimates, which reflected the lowest increase in the history of UNDP, demonstrated his determination to hold administrative and programme support costs under effective control.

163. Introducing the budget estimates, the Assistant Administrator, Bureau of Administration and Finance, underlined the major objectives of the organizational proposals reflected therein. He informed the Committee that the present organizational structure and staffing levels would now be considered as having reached a point of stabilization except for minor refinements and adjustments which might become necessary. In regard to the over-all staffing proposals of the UNDP secretariat, particularly at headquarters, the Assistant Administrator referred to the reductions of posts (mostly General Service) that had been proposed to the Council at its fifteenth session and indicated the Administrator's intention for a further review of the existing professional posts at headquarters, particularly those assigned to the regional bureaux. This review, he added, might lead to a further degree of decentralization of the programming and implementation functions from headquarters to the country level. He informed the Committee that a working group within the secretariat had been established to review the matter and make appropriate recommendations to the Administrator.

164. Referring to paragraph 15 of the ACABQ report concerning the Administrator's proposals for the new arrangements in Addis Ababa, the Assistant Administrator informed the Committee that all groups within the United Nations system concerned with economic planning had urged more use of the regional economic commissions. He indicated that the specific proposal now made in regard to the proposed arrangements for Africa was intended to ensure greater co-operation between UNDP and the Economic Commission for Africa (ECA), primarily to provide and evaluate facts and to consider jointly the existing needs for UNDP action in the region. He further indicated that the ECA Executive Secretary's reaction to the proposal was encouraging and assured the Administrator of his full co-operation in this new effort.

165. The Assistant Administrator also referred to other specific items on which ACABQ had offered comments. Referring to supplementary estimates which might be required in 1974 due to further international monetary fluctuations or other changes which might occur in 1974 and which would call for additional expenditures in 1974, he assured the Committee that the intention of the Administration was to absorb as much as possible of the additional costs which might arise in the approved budget for that year. As regards the ACABQ comments on the capacity of UNDP and the administrative infrastructure built up on the basis of the Consensus, he agreed that it was designed to support a substantially larger programme than seemed likely to be implemented in 1974. Although additional absorptive capacity existed for the moment, it would be unwise to cut back on carefully framed planes, particularly since great benefits were currently being realized in the form of higher quality of performance.

166. Referring to the item on the United Nations Volunteers, the Deputy Administrator (Administrative) clarified the provision in the budget for recruitment services and indicated that as a result of further explorations with the International Secretariat for Volunteer Service, which had been held after the 1974 estimates had been prepared, the provision for recruitment services of volunteers could now be reduced from \$150,000 to \$90,000, a reduction of \$60,000 from the estimates.

Summary of discussion in the Committee

167. The Committee expressed satisfaction with the clarity of the form of presentation of the 1974 budget estimates and the informative statements which the Deputy Administrator and the Assistant Administrator had made in introducing the estimates in the Committee.

168. The discussion in the Committee reflected general concern at the increase in administrative and programme support costs in comparison to the field programme costs. At the same time, it was recognized that the 1974 estimates reflected commendable efforts of the Administrator in keeping general increases to a bare minimum and real expansion to less than 1 per cent. One member, however, noted that increases in 1974 represented a step ahead of the growth in resources for the Programme.

169. Many members expressed the view that efforts should be made by the Administrator to absorb as much as possible of the additional costs resulting from inflation, currency devaluation and currency realignment within the approved budget level for the preceding year through partial absorption of additional costs and redeployment of resources.

170. The majority of the Committee endorsed the organizational changes effected in the 1974 budget estimates and expressed the hope that UNDP had now reached organizational stability. Most members supported the Administrator's proposal for the new arrangements in Africa and specifically supported the proposal for upgrading the post of Resident Representative in Addis Ababa to the level of Assistant Administrator. While supporting this proposal, some members expressed the view that this arrangement should be regarded as a special case on an experimental basis. A few members also expressed the view that the new arrangement if proved successful could be extended to other commissions in developing countries. Comments were made on the reorganization of the UNDP European office in Geneva and it was noted that recipient Governments served from that office and the Governing Council were approached in advance neither in regard to the organization of the office nor for clearance of the appointment of the official responsible for programming. There was general support for the establishment of the Projects Execution Division whose costs would be financed from agency overhead resources. Several members asked the Administrator about the nature of projects to be executed by UNDP. One member urged that all possible measures should be taken to strengthen the United Nations system before resorting to execution of projects by UNDP itself. In this connexion, several members supported the ACABQ suggestion that future staffing proposals and related expenditures should be included as an annex to the budget. The hope was also expressed that the costs of the Division's activities would prove to be economical and held well within the overhead cost percentage now being applied with respect to project activities of the agencies in the United Nations system.

171. While it was recognized that expansion and increases in the administrative and programme support costs were in response to the Consensus, which called for strengthening the field offices as well as other organizational changes, there was nevertheless agreement with ACABQ's suggestion in paragraphs 9 and 10 of its report that the UNDP administrative infrastructure built up on the basis of the Consensus was designed to support a substantially larger programme than seemed likely to be implemented during 1974.

172. Comments were made on the strengthening of the field offices, which had called for the addition of a total of 132 professional posts during the period 1971-1973, and on the principle of decentralization of responsibility for programme and implementation from Headquarters to the country level. One member, supported by others, expressed the feeling that the centralization/decentralization process did not appear to have been fully settled. He regarded the proposals for the establishment of a Projects Execution Division as well as the creation of the post of an Assistant Administrator in lieu of the post of Director, Technical Advisory Division, both of which were directly attached to the Office of the Administrator, as steps towards centralization at Headquarters. In that connexion, he expressed his concern that there appeared to be a departure from the definitions of the functions of the regional bureaux at headquarters which had been approved by the Council at its eleventh session. Another member, while expressing support for the proposal which would strengthen the policy-making arm of the UNDP, referred to in paragraph 11 (b) of DP/L.276, asked some questions relating to a possible conflict between line and staff functions as laid down by the Consensus.

173. A number of questions were raised about the costs of contractual printing for information activities. The main thrust of those questions was to urge the careful and selective programming of the publications with attention to all avenues of economy. One member, supported by another, suggested that appropriations requested in 1974 for contractual printing might be reduced to the 1973 approved level. In regard to the costs of information activities, the hope was expressed that efforts would be made for stabilization of the level of expenditures beyond 1974. Many members expressed their concern about documentation and the related translation and printing costs and urged the Administration to take appropriate measures.

174. Some members welcomed the Administration's efforts to substantially reduce expenses for consultants and other items. Other members underlined the need for achieving economies in areas of expenditures such as overtime, telephone costs, air pouches, transportation and the use of vehicles in field offices. It was also suggested that a study on the use of vehicles at field offices might prove to be necessary.

175. Several members pointed out that anomalies existed in the number of staff of the field offices in countries which had the same IPFs and requested clarification regarding the criteria employed in determining field staff requirements. They further suggested that the staffing pattern be reviewed. The view was also expressed that the UNDP should make more use of local nationals for employment in UNDP field offices.

176. The Committee welcomed the Deputy Administrator's announcement of the reduction of \$60,000 from the proposed provision for recruitment services of volunteers. The Committee encouraged the Administration to take the necessary action to arrange for direct recruitment of volunteers by the United Nations Volunteers programme.

177. There were mixed feelings concerning ACABQ's recommendation in paragraph 23 of its report concerning the adoption of a biennial cycle for the UNDP administrative and programme support budget. It was suggested that the Administrator should submit a report, at a later session of the Council, outlining the advantages and disadvantages of adopting a biennial budget cycle. In regard to the form of the budget, two members expressed the view that the adoption of a performance budget presentation should be considered.

178. In regard to field technical advisers, the Committee agreed that, subject to the Council's decision on the question of arrangements to provide advice and support to resident representatives in sectoral fields scheduled to be considered at its seventeenth session, the provisions included in the 1974 estimates for a total number of 58 senior agricultural advisers and 30 industrial development field advisers should be maintained. In that connexion, there was discussion in the Committee concerning decision III (VII) adopted by the Industrial Development Board, ^{4/} in which an increase in the number of industrial development field advisers from 30 to 40 by 1975 and up to 60 by 1977 was recommended.

179. In general, discussion in the Committee reflected a widely shared feeling that the administrative and programme support services budget had reached a degree of stability. The hope was strongly expressed that the Administrator would continue to seek all avenues of economy.

Observations of the Administration in the Committee

180. In responding to a specific comment made in the Committee concerning the capacity of UNDP, the Administrator indicated that UNDP had seen a process of significant evolutionary changes designed to render multilateral assistance through the United Nations system more meaningfully related and more directly responsive to the priority needs of the developing countries. He stated that because of the new concepts, methods and approach, the present organizational structure was designed not only to handle a larger programme but also to do a more effective job. He was concerned, however, about ACABQ's recommendation in paragraphs 9 and 10 of its report (DP/L.287) which implied that the present UNDP structure should be frozen. In that connexion, he emphasized that, while UNDP was now equipped to handle a larger programme, the need for refinements and adjustments in order to handle effectively a larger programme could not be overlooked.

181. In regard to the discussion in the Committee concerning the provision of advice and support to resident representatives in sectoral fields, and in particular concerning the number of industrial development field advisers, the Assistant Administrator, Bureau of Administration and Finance, drew the Committee's attention to the Council's decision at its fifteenth session which called on the the Administrator to report to the seventeenth session of the Council on the results of his discussions with different organizations in the United Nations system. He suggested that this question be kept open, pending further consultations between the Administrator and the Executive Director of UNIDO.

182. The Assistant Administrator also responded to a number of specific points made by members. On a question regarding the functions of the regional bureaux,

^{4/} See Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 16 (A/9016), Annex II.

he stated that there was no evidence of a departure from the definitions of functions which were approved by the Governing Council. He indicated that the arrangements in respect of a Projects Execution Division and the creation of the post of an Assistant Administrator in lieu of the post of Director, Technical Advisory Division, were designed to give the regional bureaux adequate support for the effective discharge of their functions. With reference to paragraph 11 (b) of DP/L.276, he clarified that the intention was that the Assistant Administrator should provide assistance to the Deputy Administrator (Programme) in the exercise of his staff function. In regard to the comment that certain anomalies existed in the staffing of field offices, he enumerated the factors affecting the staffing of each office and assured the Committee that the pattern of staffing in the field was being continuously reviewed.

183. In response to comments concerning the UNDP European office in Geneva, he informed the Committee that the reorganization of the office had been made following an existing practice of rotation of staff, who were considered as outposted from UNDP headquarters.

184. The Deputy Administrator (Administrative) also responded to a number of other points made by members. On questions regarding the Projects Execution Division, he outlined in some detail the function of the Division and indicated that staffing of the Division was intended to be kept to the essential minimum, that the cost of the Division would be financed from the general pool of resources set aside for agency overhead costs and that definite economies in respect of overhead costs were anticipated. With specific regard to the execution of projects, he observed that the execution by UNDP of the following classes of projects, inter alia, could be considered:

- (i) Interdisciplinary and multi-purpose projects;
- (ii) Projects which did not fall within the competence of any individual agency;
- (iii) Individual projects which required general management and direction rather than expert sectoral guidance;
- (iv) Projects to which UNDP could bring special assistance in the form of particular financing or investment follow-up arrangements.

185. On the form of presentation and cycle of the budget estimates, the Assistant Administrator indicated that the form used in presenting the 1974 budget was based on the format approved by the Governing Council. In regard to the question of adopting a biennial cycle for the UNDP administrative and programme support budget, he informed the Committee that a report outlining the advantages and disadvantages of the adoption of a biennial cycle for the budget would be submitted to the Council at a future session; the Administration currently held no fixed view on the question.

186. As regards UNDP documentation, its related costs, and measures to be taken in order to minimize delays in submissions to the Council, a subject emphasized by the Administrator in his opening speech to the Council, both the Deputy Administrator and Assistant Administrator indicated that this question was receiving priority attention in UNDP. They added that the Administration would have an open

mind, and take into account the consultations and discussions in the Council on the measures to be taken.

187. In conclusion, the Assistant Administrator emphasized that the Administrator would take full account of the comments of members of the Committee and would continue his efforts to seek all avenues of economy in the administration of the 1974 budget.

Decision of the Governing Council

188. At its 389th meeting, on the recommendation of the Budgetary and Finance Committee, and taking into account the observations and reservations made in the Governing Council, the Council adopted the following decision:

The Governing Council,

Having considered the 1974 budget estimates for administrative and programme support services of UNDP (DP/L.276 and Add.1), the report of the Advisory Committee of Administrative and Budgetary Questions (DP/L.287) and the views expressed thereon in the Budgetary and Finance Committee,

(a) Noting that the organizational structure made necessary by the adoption of country programme procedures as foreseen by the Consensus had been completed and that the organizational structure which had been established was designed to support a substantially larger programme, requested the Administrator to stabilize the organization in regard to its structure and costs;

(b) Expressed concern at the constant increase of administrative costs as compared to field programme costs;

(c) Approved the estimates of 1974 requirements for administrative and programme support services of UNDP in a total amount of \$38,951,400 (net) as submitted in document DP/L.276, taking into consideration the reduction of \$60,000 announced by the Deputy Administrator and comprising the following appropriation sections, and also approved the proposed arrangements in Addis Ababa mentioned in paragraph 11 (h) of DP/L.276:

	<u>US \$</u>
Section 1 - Salaries and wages	28,323,300
Section 2 - Common staff costs	9,403,500
Section 3 - Travel and transportation	2,003,800
Section 4 - Permanent equipment	508,000
Section 5 - Other general expenses	4,661,000
Section 6 - Subvention and special expenses	<u>669,300</u>
Total Gross	45,568,900
<u>Less</u>	
Section 7 - Estimated income	<u>6,617,500</u>
Total Net	<u><u>38,951,400</u></u>

(d) Decided that the Administrator might transfer credits between sections only with the authorization of the Governing Council, such an authorization to be obtained, if necessary, by canvassing members through correspondence;

(e) In order to finance these requirements, authorized an allocation in the amount of \$38,951,400 (net) from the resources of the UNDP;

(f) Took note of the fact that the Administrator might submit supplementary estimates at the seventeenth session, taking into account the international monetary situation and recalling that such expenditures should to the extent possible be absorbed within the approved budget;

(g) Noting that in decision III (VII), the Industrial Development Board had recommended an increase in the number of industrial development field advisers from 30 to 40 by 1975 and up to 60 by 1977, decided to accept provisionally the budget proposals in respect of these advisers pending further consideration of the matter at its seventeenth session;

(h) Requested the Administrator to continue his efforts to seek economies in the execution of the 1974 budget;

(i) Requested the Administrator to submit at a later session of the Governing Council a report on the advantages and disadvantages in adopting a biennial cycle for the budget.

D. COMPOSITION OF UNDP HEADQUARTERS AND FIELD OFFICES

189. Under item 8 (g) of the agenda, the Budgetary and Finance Committee had before it document DP/STAFF LISTING/2 which contained a list of the staff of the secretariat of the United Nations Development Programme, at the headquarters and in the field offices as at 31 December 1972.

Summary of discussion in the Committee

190. Some members expressed the view that the composition of the secretariat should be based on the principle of equitable geographical distribution. Two members expressed their delegations' concern that, according to the list before the Committee, there were no nationals of their countries represented in the secretariat at the senior officer and higher levels. Another member expressed the view that UNDP was not making sufficient use of his country's nationals to work in UNDP and expressed the hope that the necessary corrective measures in this respect would be taken by the Administrator. These members, however, expressed their delegations' appreciation for the efforts now being taken by the Administrator in the field of recruitment and noted in particular that specific recruitment missions had been sent to their respective countries. Yet another member expressed the hope that efforts to obtain wider geographical distribution would not result in a compromise with the quality of personnel. This member suggested that the primary responsibility for correcting any geographical imbalance rested with those Governments whose nationals were under-represented, as they could arrange to make available to UNDP personnel of the highest quality.

191. Some members indicated that the document before the Committee was out of date and expressed the view that a list supported by the necessary basic statistical data as well as an analytical breakdown should be submitted annually to the January session of the Council.

Observations of the Administration in the Committee

192. The Deputy Administrator (Administrative) informed the Committee that the present document had been submitted to the Council for its information in accordance with the Council's request at the fifteenth session. He indicated that, in accordance with the wishes of the Committee, a list supported by the necessary statistical data would be submitted annually to the Council. He stated that in view of the time element involved, such a list could not be submitted to the January session of each year with information as at 31 December of the previous year.

193. In regard to the composition of the secretariat, the Deputy Administrator indicated that, while the principle of equitable geographical distribution was taken into consideration in the recruitment process, emphasis was put primarily on the quality and calibre of candidates.

Decision of the Governing Council

194. At its 389th meeting, the Governing Council:

(a) Took note of document DP/STAFF LISTING/2 as well as of the views expressed thereon in the Committee;

(b) Requested the Administrator to take into consideration the views expressed in the Committee and to include in his annual report basic statistical data regarding the composition of the UNDP secretariat.

CHAPTER VI

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

195. Under item 7 of its agenda, the Governing Council had before it for consideration:

(a) A report by the Executive Director of the United Nations Fund for Population Activities (UNFPA), prepared in consultation with the Administrator, setting forth the Executive Director's concept of the "rolling plan" previously discussed by the Council, together with information on the status of pledges and recommendations to the Governing Council (DP/L.273);

(b) The UNFPA work plan 1973-1976 (DP/L.273/Add.1);

(c) A progress report on UNFPA activities, 1969-1972 (DP/L.273/Add.2);

(d) Draft UNFPA Financial Regulations and Rules (DP/L.273/Add.3);

(e) The UNFPA draft administrative budgets for 1973 and 1974 (DP/L.273/Add.4);

(f) A note by the Administrator concerning the status of the post of the Executive Director of UNFPA (DP/L.273/Add.5).

196. Introducing item 7, the Executive Director of UNFPA outlined the measures which the Fund visualized as appropriate to carry out each of the aims and purposes defined by the Economic and Social Council. The Fund was developing a staff capacity in the fields of project development, assessment, monitoring and evaluation. To date, the Fund had spent more than one third of its resources on training and 15 to 20 per cent of its resources on applied research. It had sought to co-ordinate its programmes with those of other donor agencies in the population field and in some instances at the country level had taken a leading role as co-ordinator among all external assistance agencies. The reconstitution of the Programme Consultative Committee of UNFPA as a technical advisory and programme co-ordination body was also being explored.

197. To create greater awareness of population matters, the Fund was encouraging a dialogue between agencies within the United Nations system and recipient Governments to give them a better appreciation of demographic factors in relation to economic and social development and the options open to them in dealing with those issues; in this connexion, the Fund's activities in the 1974 World Population Year constituted a special effort to promote consciousness of and interest in population problems and activities. The Fund's efforts were limited to countries wishing to participate in the World Population Year.

198. Discussing the forms of assistance being furnished by the Fund, the Executive Director stated that over the past several years UNFPA had attached first priority to country requests and sought to ensure that programming reflected the wishes and real needs of the recipient countries.

199. Since population problems were multisectoral and multidisciplinary, population programmes often involved a number of agencies in the United Nations system. The Fund was attempting to co-ordinate related components of assistance furnished through organizations in the United Nations system. For this purpose semi-annual meetings had been held with the relevant agencies in UNFPA's Inter-Agency Consultative Committee. Further measures were being taken to increase the cohesiveness of the Fund-financed country, regional and global programmes. Several agencies were now presenting all their regional, interregional and global projects to the Fund in a single package to ensure that they formed a coherent whole. UNFPA was taking steps to carry out the directive of the Economic and Social Council that UNFPA should "invite countries to utilize the most appropriate implementing agents for their programme, recognizing that the primary responsibility for implementing rests with the countries themselves." ^{5/} In Mexico, for example, assistance was being given to a private organization with the concurrence of the Mexican Government. In Iran, the Fund, with the assistance of the UNFPA Co-ordinator, had channelled financial resources into specific project activities through the Resident Representative's office. In such cases, the resident representative or the UNFPA co-ordinator normally released such resources after consultation with the agency monitoring the execution of the project.

200. Steps to improve the administrative machinery of the Fund were described in document DP/L.273. The suggested "rolling plan", and the work plan substantiating the Fund's request for project approval authority, also represented very important steps to arrive at an explicit and coherent method and cycle of planning, legislative sanction, fund raising and programming. He observed that the resource needs of the Fund as set out in the work plan 1973-1976 were quite modest by comparison with the demands for the population programmes.

201. Interdisciplinary population training was being studied by a committee, of which the Executive Director of UNFPA was Chairman, and which included the United Nations and the specialized agencies, the International Planned Parenthood Federation, the International Union for the Scientific Study of Population and the Population Council.

202. Reporting on the implementation, the Executive Director said that cumulative expenditures as a proportion of all allocations and grants at the end of 1972 stood at 60 per cent, substantially higher than had been estimated some months earlier by the UNFPA Review Committee. He said that a major cause of delay in implementation was attributable to the time taken in the recruitment of experts, often eight to nine months, and discussed steps the Fund was taking to minimize these difficulties.

203. Reference was made by the Executive Director to the Governing Council's method of governing the Fund. At the fifteenth session of the Council it had been considered inappropriate for UNFPA either to use UNDP indicative planning figures or to establish IPFs of its own since this might put the Council in the position of prescribing the size of national programmes in the population field. DP/L.273 had suggested a method by which the Council might govern the Fund's programme which did not involve the approval of projects as such. However, the Council might wish to approve comprehensive country agreements. The Council would then need to consider the Fund's affairs twice, rather than once, annually and to grant the Fund

^{5/} Economic and Social Council resolution 1763 (LIV) of 18 May 1973, para. 2.

authority to undertake pre-project financing in connexion with projects to be submitted to the Council.

204. He visualized relating Fund programming to UNDP programming primarily at the country level. He expected the resident representatives, with the assistance of the UNFPA co-ordinators, to ensure that population was considered in relation to the whole economic and social scene as the basis for a new cycle of development assistance programming. UNDP had recently taken an important step in this direction by providing, where the country concerned so wished, for full discussion of population trends, policies and programmes in country briefs and in the preparation of draft country programmes.

205. Commenting on the World Population Year, the Executive Director said that all Governments were being urged to look most carefully at their own population development and arrive at a national population policy. In this connexion, the establishment of national commissions on population was being advocated. It was hoped that all members of the Governing Council had taken, or were contemplating, this step.

206. The World Population Year secretariat, which had been set up within the Fund, had as one of its main concerns the spreading of information about World Population Year and population questions generally. Of the many discussions, seminars and conferences, the most important would be the World Population Conference and the symposia which would precede it. The World Population Conference would have before it a draft World Plan of Action, which the Fund was helping to draw up.

207. The President of the Council recalled that it had been decided to review the broad aspects of the programme of UNFPA in plenary session and to entrust the examination of the financial, budgetary and administrative aspects of the item to the Budgetary and Finance Committee.

208. The Administrator of UNDP referred to the recommendation made jointly by the Secretary-General and himself (DP/L.273/Add.5), that the Executive Director of UNFPA be raised from his present level of Assistant Secretary-General to the level of Under-Secretary-General.

Summary of discussion

209. General satisfaction was expressed with the quality of the documentation and the lucidity of the explanations provided by the Executive Director of UNFPA. One member suggested that the progress report on UNFPA activities 1969-1972 (DP/L.273/Add.2) should be submitted to the Economic and Social Council as part of the Governing Council's annual report on the affairs of the Fund. It was also recommended that two basic documents, a progress report and a work plan, should be prepared for each June session of the Governing Council. Several other members concurred and said that the work plan should be submitted to Governments well in advance of the session.

210. Considerable discussion took place on the concept of the rolling plan outlined in DP/L.273, which would provide an opportunity for annual revision of the Fund's long-term plans and envisaged granting approval authority to the Executive Director for up-coming projects and programmes. While supporting the concept and describing

it as a useful management tool and a flexible and practical arrangement, some members expressed the view that it should be put into operation on an experimental basis and watched carefully in its initial years. If necessary, individual features should be modified.

211. Many members commented favourably on the programming information contained in the work plan and, in particular, on the information it gave on on-going projects and programmes. Several members, however, asked for more details on major programmes under consideration and one requested that the work plan 1974-1977 include all major or innovative programmes under active consideration. Another member found it difficult to get an over-all view of the work programme because it seemed to give a catalogue of activities, mainly short-term, rather than a medium-term strategy based on country-oriented population programmes showing the relationship with other activities in the population field and with over-all development plans. Many welcomed UNFPA's trend towards comprehensive country programmes. Others emphasized the importance of demographic projects and of institution building at national levels. One member wished to see an expansion in population policy activities.

212. Many points of view were expressed on the subject of project approval. A number of members advocated that the Council should approve all major comprehensive projects and innovative programmes which raised policy issues, and that the Executive Director should have authority to approve other projects. One member felt that UNFPA should follow the same project approval system as UNDP. Another believed that little was to be gained by submitting projects, even large ones, for individual approval by the Council and suggested that the Council should approve the work plan and then give the Executive Director the authority to implement it.

213. Several members expressed their gratification at the situation regarding the Fund's present resources. They noted, however, the level of financing required for subsequent years as shown in the work plan. A number of suggestions were made as to how future resources should be obtained. Most members favoured a regularization of the pledging cycle but held different opinions as to procedures and timing. Some proposed a formal regularly scheduled pledging session, at the time of the UNDP Pledging Conference, to commence in 1974. Two members, in view of World Population Year, favoured the first pledging conference's taking place in 1973. Two other members were opposed to the pledging conference system. Another said that donors should be asked to make their payments within the year for which they had pledged. One member requested the Executive Director to prepare a report on the subject for submission to the seventeenth session of the Council in January 1974.

214. Two members said that their Governments, contributing to the Fund for the first time in 1973, hoped to increase their contributions in 1974. Another stated that his Government had decided to channel all its multilateral assistance in the field of population through UNFPA.

215. Many members agreed that the Programme Consultative Committee should be reconstituted, but should function in an advisory and technical capacity. One also thought it desirable that recipient countries should be given an opportunity of submitting their comments to this Committee. Another member believed that the Committee should have developing country representation. Another felt that executing agencies might participate. One member cautioned that, while the

Programme Consultative Committee should be reconstituted, the Governing Council itself, being the governing body for UNFPA activities, should provide the forum for intergovernmental deliberations by population experts. He added that it would be helpful if specialized agencies participated actively in Council discussions. Another member felt that the Economic and Social Council and/or the Population Commission, not the Council, were the proper forums for intergovernmental deliberations by population experts. Several members wanted more information on the composition and procedures of the Programme Consultative Committee and its relation to the Governing Council before taking a decision on this matter. The Executive Director was asked by some members to prepare a report for submission to the seventeenth session of the Council.

216. A few members welcomed the Executive Director's statement that means of giving more direct aid to countries were being explored. One member particularly welcomed this statement in view of the delays experienced in obtaining delivery of Fund assistance through the executing agencies.

217. In regard to Fund publications, one member said that a progress report should be issued in magazine form every year and widely distributed. Another commented that there was a need for a regular information bulletin.

218. During the discussions in the Council, virtually all members warmly supported, and none opposed, the recommendation for the up-grading of the post of Executive Director of the Fund.

Observations of the Executive Director

219. In response to observations made by members concerning the resources of the Programme, the Executive Director informed the Council that the Fund would welcome a regularized pledging conference, but would prefer the first conference to be in 1974.

220. In reply to a question as to whether all countries were invited to submit requests for assistance for comprehensive country agreements, the Executive Director said that it was a decision to be taken by Governments but that the Fund would welcome such requests.

221. Concerning Fund publications, the Executive Director stated that a monthly bulletin on current population activities was being produced in connexion with World Population Year.

Consideration by the Budgetary and Finance Committee

222. In an introductory statement in the Budgetary and Finance Committee, the Executive Director of UNFPA requested new programme approval authority of \$108 million according to the concept of the rolling plan, which called for an additional \$26 million for the remainder of 1973, \$53 million for 1974, \$21 million for 1975 and \$8 million for 1976. He said that this was a greater amount than would normally be requested in that it included a request for approval authority for the second half of the current year as well as 1974. The approval authority requested for the remainder of 1973 would be adequate for Fund needs and would

result in 1973 expenditures of about \$33 million. He observed that the Fund already, in a sense, had the resources to commit the over-all total of \$52 million requested for 1973, since the Council had authorized \$26 million for new programming for the first half of 1973, at its January session, and some \$46 million of resources had been released at the end of 1972 as a result of the departure from full funding that the Council had authorized at its fifteenth session. Of the latter amount, \$20 million had been set aside as an operational reserve, leaving \$26 million for on-going programming, subject to the Council's confirmation.

223. A total of \$46.5 million for new and on-going programmes had already been programmed for 1973, \$6 million more needed to be earmarked for comprehensive agreements with Governments, and project budgets in connexion with the World Population Year and other activities would add an additional \$4.5 million of approved projects during the remainder of 1973. This would total \$57 million. The excess of \$5 million over the proposed \$52 million for 1973 would be financed through rephrasing of some project budgets.

224. In the course of the next several months, the Fund might find it necessary to revise upwards the request for approval authority for 1974 and would in that event refer the matter to the January session of the Council.

225. The Executive Director pointed out that the project budgets for 1973-1976 were the sum of commitments for on-going projects, new commitments and anticipated projects.

226. The 10 comprehensive country agreements which had been concluded were set out in the order of signing. The notes on the first two, Mauritius and Pakistan, were sparse but hopeful, in keeping with the understanding of the present state of implementation. The remaining eight accounts were generous in the details of the planning activities of the comprehensive programmes.

227. The Executive Director also presented and commented on the draft Financial Regulations and Rules.

228. Regarding the administrative budgets for 1973 and 1974, which were submitted to the Council for consideration, he drew attention to the fact that the 1974 Manning Table showed an increase of only one professional post over that for 1973.

229. With reference to the UNFPA financial rules and regulations, the Assistant Administrator, Bureau of Administration and Finance, observed that the Committee was faced with a dilemma in view of the desire of some members that UNFPA financial affairs should be considered by ACABQ. While the Committee had before it for approval the Fund's draft Financial Regulations and Rules, it had not yet received the comments of the ACABQ on them.

Summary of discussion in the Committee

230. Many members emphasized the importance of receiving the ACABQ's comments on Regulations and Rules and thought it would not be desirable to consider the Regulations and Rules prior to receiving these comments. Another member said that consideration of the Regulations and Rules at this time would not prevent further amendments and changes being made at a later date.

231. Commenting on the rolling plan, a number of members sought clarification as to the relationship between the planned expenditure figures shown and the approval authority requested.

232. There was considerable discussion on the authorization to approve projects. Several members felt that mere approval by the Council of the UNFPA work plan (DP/L.273/Add.1) and the granting of project approval authority to the Executive Director would be in the nature of issuing a blank cheque. Consequently, they felt that the Executive Director should submit certain types of projects and programmes for approval by the Council.

233. There was general agreement that the Fund should submit to the Council, prior to signature, summaries of proposed comprehensive country agreements. Many members also felt that large projects should be subject to Council approval. Different suggestions were made as to how to define large projects: some suggested projects above \$200,000, others above \$500,000 and others above \$1 million. It was agreed that, subject to future review, projects in the amount of \$1 million or more should be submitted to the Council for prior approval. It was understood that these would represent approximately 40 per cent of the total costs of UNFPA projects. Several members thought that the Council should approve innovative projects with policy implications as well as any projects on which the Fund wished to seek advice and guidance.

234. Two members stressed that if Council approval was required for certain projects, the Executive Director should be authorized to finance necessary pre-project operations in order to obviate programming delays.

235. A few members expressed apprehension that, in view of the provisional character of the indications regarding expected contributions on the basis of which the present work plan had been drawn up, the Fund might be led into a deficit situation and face problems of liquidity. It was therefore suggested that the Executive Director should programme only within the limits of available resources. Another member believed that the Fund should enter into multi-year commitments at a level not higher than current contributions. Other members asserted that UNFPA's financial and liquidity positions were excellent and that it was very unlikely that a deficit situation could develop, given the yearly financial review built into the UNFPA programme via the rolling plan.

236. Many members felt that it was difficult to assess the realism of the projections of resources and expenditure in document DP/L.273 and could therefore not commit themselves to them. A number of other members had no difficulties with the projections contained in the work plan 1973-1976, finding them quite reasonable.

237. Several members asked if the administrative budget as presented was high enough and if, in view of inflation, the Executive Director could keep expenses at the estimated levels.

238. One member, supported by others, expressed his agreement to the inclusion of the UNFPA co-ordinators in the programme budget rather than the administration budget.

239. One member pointed out that the strengthening of the field staff would result in higher expenses in connexion with communications. The same member said it

would be difficult to maintain in 1974 rental and other administrative costs within the same limits as those of the budget for 1973. Others felt that the amount allocated for contractual printing was too low in view of the World Population Year programme and that this should be increased by \$50,000.

240. One member asked that in future presentations of the rolling plan, information be included concerning the surplus of authorization requested, as compared with expected expenditures. Information concerning underlying factors such as execution rate, etc., would be specially welcome.

241. One member welcomed the present projected resource balance of \$10.7 million to be carried forward from 1976 to 1977 as an important device to safeguard continuity in the programme after the present planning period.

Observations of UNFPA and the UNDP Administration in the Committee

242. In response to observations made during the discussion, a Fund spokesman stated that the approval authority sought for 1973 and 1974, in excess of the planned expenditure figures for those years, was to take care of projects to be initiated during 1973-1974, while the lesser approval authority sought for 1975 and 1976 was intended to provide for the continuation of some multi-year projects initiated earlier. He also made it clear that only \$31 million of programme expenditures was expected in 1973 and \$2 million for administrative and programme support costs, and that some \$19 million worth of 1973 programming was expected to result in expenditures in 1974.

243. In response to a question on the liquidity position, the Executive Director reviewed the financial status of the Fund and pointed out that, not counting the \$20 million in the operational reserve, the Fund currently had received 1973 resources in the amount of \$43.9 million, a figure which included the \$26 million carried forward from 1972. The Fund expected 1973 programmable resources to reach \$68 million and was only requesting approval authority for 1973 in the amount of \$52 million. The Executive Director further pointed out that for the Fund to be in a sound position to make firm commitments for the coming years, it required regularization of the pledging cycle. He appealed to the Committee for its assistance in this matter.

244. With respect to the level of the administrative budget, the Executive Director observed that many expenses such as rentals were covered by contractual arrangements and therefore were not immediately subject to inflation. He reserved the right, if he found it necessary, to request some minor revision of the budget.

245. In answer to a question on the subvention to UNDP, the Assistant Administrator said that this covered certain staff services which could change as the Fund developed its own staff capacities.

Summary of further discussion in the Governing Council

246. With reference to the Council's decision, recorded below, one member expressed his doubts on the advisability of paragraph (c), paragraph (d) (ii), and paragraph (i) of the decision concerning, respectively, the rolling plan, the \$1 million limit, and the allocation of \$108 million for activities from 1972 to 1976.

Decision of the Governing Council

247. At its 391st meeting, on the recommendation of the Budgetary and Finance Committee, the Governing Council:

(a) Took note of the resources and expenditures projected for the years 1973-1976 contained in document DP/L.273, together with comments made thereon;

(b) Took note of the work plan for 1973-1976 contained in document DP/L.273/Add.1 and requested the Executive Director, in preparing the next work plan, to take into account the suggestions for improvement;

(c) Approved the system of a rolling plan proposed by the Executive Director in his report in document DP/L.273;

(d) Requested the Executive Director to submit to the Council summaries of the following types of projects for prior approval:

(i) Comprehensive country agreements;

(ii) Projects and programmes in the amounts of \$1 million or more;

(iii) Projects which because of their innovative aspects or policy implications deserved the Council's consideration and approval.

(e) Authorized the Executive Director in consultation with the Administrator to approve other projects within the ceilings for project approval prescribed by the Council;

(f) Authorized the Executive Director to incur pre-project expenditures in respect of those projects to be submitted to the Council;

(g) Authorized the Executive Director to UNFPA, in consultation with the Administrator, to conduct the financial operations of the Fund on a provisional basis under the appropriate Financial Regulations and Rules of UNDP, taking into account the separate identity and character of the Fund;

(h) Invited the Executive Director of UNFPA to prepare and submit to the seventeenth session a proposal for convening annual pledging conferences, the first of which would be held in the calendar year 1974 in respect of fiscal year 1975;

(i) Authorized the Executive Director for the period 1973-1976 to programme up to the amount of \$108 million as described in DP/L.273, and within this amount to approve projects of the type referred to in paragraph (e), and requested him to submit to the Council summaries of projects requiring prior Council approval, together with information on those projects which he had approved between Council sessions;

(j) Took note of the 1973 budget of UNFPA administrative and programme support services;

(k) Approved the estimates of 1974 requirements for administrative and programme support services of the UNFPA secretariat in a total amount of \$2,500,587

(net) as submitted in document DP/L.273/Add.4, including an additional \$50,000 for publication costs, as described in the following appropriation section:

	<u>US \$</u>
Section 1 - Salaries and wages	1,699,733
Section 2 - Common staff costs	377,454
Section 3 - Travel and transportation	162,000
Section 4 - Permanent equipment	20,000
Section 5 - Other general expenses	404,700
Section 6 - Subvention to UNDP	<u>192,000</u>
Total Gross	2,855,887
 <u>Less</u>	
Section 7 - Estimated income	<u>305,300</u>
Total Net	<u><u>2,550,587</u></u>

In order to finance these requirements, authorized an allocation in the amount of \$2,550,587 (net) from the resources of UNFPA;

(l) Requested the Executive Director to submit to ACABQ for its comments the UNFPA administrative budget for 1975 and subsequent years;

(m) Approved the adjustment of the post of Executive Director, UNFPA, from its present level of Assistant Secretary-General to the level of Under-Secretary-General.

CHAPTER VII

UNITED NATIONS TECHNICAL CO-OPERATION ACTIVITIES

248. The Commissioner for Technical Co-operation introduced the report of the Secretary-General (DP/RP/14), under item 10 of the agenda of the Governing Council. He reported on the fact that although the total value of funds from all sources had increased between 1971 and 1972, being \$63.0 million compared with \$61.0 million reported to the Council at its fourteenth session in 1972, the level of the delivered programme had diminished due to currency fluctuations and other factors. Whereas just over 2,300 experts had been fielded in 1971, that figure was about 150 less in 1972. Similarly, for fellowships, there was a decline of just over 500 in the number awarded.

249. He briefly summarized the experience of the Office of Technical Co-operation in country programming. Although the new procedures were undoubtedly beneficial in that they ensured that all projects were considered within a general development framework for the country concerned, nevertheless he felt that insufficient advantage had been taken by agencies of the benefits which the new system afforded, particularly in providing lead-time for implementation purposes. He expressed the hope that the experience gained in the first round of country programmes would be taken into account in the second round. It was necessary to make plans well in advance for the effective evaluation of both ongoing and new projects, to undertake more thorough sectoral analyses as a basis for country programming, to integrate multilateral and bilateral programmes in a more effective way, and in general to regard each country's programme as a unique opportunity to develop specific themes and strategies relevant to that country.

250. As to intercountry programming, he expressed the hope that a more co-ordinated approach would be developed in UNDP, which would be cast in the framework of longer term plans for each region. The innovative possibilities of the programmes should be further explored, for if they were cast solely in terms of response to Governments' expressed needs, many opportunities would be missed. A further point to be borne in mind in this connexion was that the planning machinery in countries was not at all geared to the identification of regional and interregional projects, and that placed a strong reliance on the need for new thinking within the United Nations system.

251. Commenting on the Regular Programme, the Commissioner reminded the Council that the financial level had now been stabilized at \$5.4 million, and that its thrust was mainly to the least developed of the developing countries. Since most of the field programme had not been running for a period longer than one year, it was not possible for him to present a full evaluation of it. However, progress was satisfactory and he hoped that, for a substantial number of these projects, the main objectives of the Regular Programme would be realized. As to the future, he would still look for projects of an innovative nature. As a recent example, the Commissioner cited the financing of studies leading to the identification of possibilities and measures for co-operation among developing countries in the fields of trade, transport and industry. One such study was already in hand under the aegis of the Economic Commission for Latin America, and followed a decision taken at the Conference of Foreign Ministers of Non-Aligned Countries in Georgetown, Guyana, in August 1972.

252. In conclusion, the Commissioner discussed briefly the objectives of the reorganization which had been undertaken within the Office of Technical Co-operation, and hoped that it would ensure a more effective response to the needs of the field programme, speed up operational activities by providing more effective linkages between the elements of the United Nations system itself, and strengthen working relationships with the UNDP and agencies.

Summary of discussion

253. Several members expressed satisfaction with the report as drafted, stating that it continued to reflect an increase, in financial terms, in the level of the programmes assigned to the United Nations as executing agency. In the view of one member, that was appropriate, bearing in mind the pioneer role which the Organization continued to play in certain fields, particularly in developing planning and statistics. Nevertheless, three other representatives expressed regret that the report did not properly respond to the wish expressed by members of the Council at the fourteenth session that it provide the basis for a yearly opportunity on the part of the Council to undertake "an in-depth discussion of the implementation problems associated with the United Nations operational activities." ^{6/} One member stated that he had expected a full discussion on such matters as experience in country programming, problems of recruitment, and measures taken to implement General Assembly resolution 2975 (XXVII); another expressed the wish that future reports would be prepared on the same general lines as the UNDP annual report, which he felt would facilitate the Council's discussions.

254. Problems of recruitment were raised by a number of members, who continued to express concern about the quality of field staff, and the time taken for recruitment. In the process of this discussion, two members expressed dissatisfaction over the inadequate representation of nationals of their countries in the cadre of field staff, while another member was pleased to note that an increased number of field staff had been recruited from developing countries in 1972 as compared with previous years.

255. Most members of the Council supported the continuation of activities in the Regular Programme, and regretted that its level had been stabilized at the figure of \$5.4 million, which, because of devaluation and other factors, represented a decline in terms of actual project delivery. These members maintained their view that the Programme gave scope to the United Nations to satisfy needs which could not be met within the present framework of UNDP operations. Mention was made in this connexion of the emphasis in the Programme towards assisting the least developed countries in social and economic planning, the important support which the Programme gave to advisory services in human rights, to the training of Namibians, and to activities in the general field of public administration. Contrary views were expressed by two members of the Council on the continued existence of the United Nations Regular Programme. One of these members called in particular for an evaluation of progress in the new orientation of the Regular Programme. Both members considered that it should be merged into the UNDP programme and thereby supported by voluntary contributions.

^{6/} See Official Records of the Economic and Social Council, Fifty-third Session, Supplement No. 2A, (E/5185/Rev.1, para. 338).

256. Another member urged that continued attention be focused on the needs of the least developed countries, particularly in the field of water development. He hoped there would be an intensification of work on projects which assisted countries in the identification of underground water sources, particularly in the Sahelian zone. He also felt that the Office of Technical Co-operation should concentrate on programme implementation and delivery rather than dissipate efforts on review and appraisal activities, which should be left to other departments which had more resources.

257. Finally, an inquiry was made by another member on the functions of and need for a World Food Programme liaison officer, and an investment follow-up adviser on the staff of the Commissioner's office.

Observations of the Commissioner for Technical Co-operation

258. In his response, the Commissioner regretted the fact that the report did not adequately respond to the requirements of the Council as expressed in the report of its fourteenth session. He stated that since he had been preoccupied with the need to maintain the level of delivery of the programme during the period of reorganization, and to establish effective and efficient relationships within the United Nations itself, with the field and with other agencies in the system, he had not yet formed a unit within the Office of Technical Co-operation which would be responsible for undertaking the required studies. He undertook to prepare a special paper on the subject and submit it to the Council at its eighteenth session.

259. Concerning the requirement to report on actions taken in relation to General Assembly resolution 2975 (XXVII), which required all elements of the UNDP system to study, evaluate and improve their delivery systems, he said that it would not be possible to summarize the experience gained with the new structure of the Office of Technical Co-operation until later in the year. However, work was proceeding along a number of lines - task forces had, for example, been established between his office and both the Technical Assistance Recruitment Service and the Purchase and Transportation Service, to improve procedures in both areas - and he would be prepared to report as requested to the Council in 1974 on all these matters.

260. In reply to a question by another member, the Commissioner said that he would examine the possibility of preparing his next annual report along the lines of that submitted by UNDP.

261. Responding to questions and comments on recruitment, the Commissioner outlined some of the difficulties. He explained that, bearing in mind the time needed for full circulation of job descriptions, for countries to respond concerning panels of candidates, and for candidates to free themselves from their current occupations, the required time could never be less than six to eight months under present circumstances. However, work was going on to revise procedures, as a result of which he hoped to be able to speed up recruitment. Concerning the geographical distribution of experts, his Office already had the matter in hand and hoped that new arrangements would broaden the field of recruitment.

262. The Commissioner said that, while he appreciated the need to concentrate on programme implementation, as suggested by one member, this could only be pursued within an analytical and intellectual framework the purpose of which was to evaluate

and appraise the activities of the Office of Technical Co-operation and relate them to the needs of the countries concerned. In this connexion also, he made particular note of the request by one member to evaluate the current progress in the Regular Programme within its new orientation, and to report to the Council in future. The Commissioner undertook to prepare and submit to the Council a detailed report on the Regular Programme for consideration at its eighteenth session.

263. Replying to the question on the role of the World Food Programme liaison officer, the Commissioner reminded the Council of the special relationship of the United Nations and the World Food Programme; he outlined the functions of liaison, project appraisal and project review which the officer was required to undertake. Concerning the investment follow-up adviser, he explained the need for such an appointment and confirmed that the officer would work in close collaboration with the UNDP investment follow-up division.

264. Concerning the need for further assistance to be provided in the field of water resources, the Commissioner stated that some 40 per cent of all projects implemented by the Office of Technical Co-operation were in the natural resources development field, including water, minerals, energy and transport. He therefore assured the member who raised the point, of the competence and experience of the United Nations in this field, and said that he would examine ways and means of responding to countries' requests for further assistance in the field of water resources within the Regular Programme.

Decision of the Governing Council

265. At its 383rd meeting, the Governing Council took note with satisfaction of the report of the Secretary-General on United Nations technical co-operation activities (DP/RP/14) and of the statements and suggestions made by members of the Council.

CHAPTER VIII

REPORT ON THE ACTIVITIES OF UNDP IN 1972

266. Under item 4 of its agenda, the Governing Council considered the annual report of the Administrator (DP/L.277), which presented an overview of the status of the Programme in 1972 against the background of the growth of multilateral technical co-operation since the 1950s and some of the challenges which the Programme faced in the immediate future. It contained a detailed record of performance in 1972, with particular focus on selected economic and social sectors, and an assessment of the first experience in the country and intercountry programming of UNDP resources. The report also included a statistical annex covering the activities of the Programme in 1972 and comparisons with other time periods, and the following three addenda:

- (a) Subcontracts awarded and major equipment ordered for projects by participating and executing agencies during 1972 (DP/L.277/Add.1);
- (b) Trust Fund administration (DP/L.277/Add.2);
- (c) Reports of the Joint Inspection Unit (DP/L.277/Add.3).

267. In introducing the item, the Administrator made three brief observations: Firstly, a more comprehensive and in-depth report on activities would be prepared for 1973. Secondly, although progress in the processing of projects had been creditable, the need to secure more efficient and improved implementation of projects was strongly apparent. In commenting on the critical role of the executing agencies in this regard, he referred to the very real problem the latter faced in securing experts of high calibre. He reassured the Council, however, that the Administration would do its utmost to effectively remedy the problem. Thirdly, as the first round of the country programming exercises neared completion, the Administration hoped, in 1974-1975 to evaluate in some detail the experience acquired in the techniques of programming and to report back, with guidelines, to the Council before the start of the next Development Cycle.

Summary of discussion

268. The Council unanimously expressed its appreciation for the lucid, exhaustive and systematic presentation in the annual report for 1972 of the information on UNDP activities and performance, together with a frank analysis of the difficulties encountered and future possibilities for the Programme. While there was general agreement that the report should be widely circulated, it was at the same time urged that future annual reports should be distributed to members of the Council at least six weeks before the session. As to the role which might be played by the annual report in future considerations of UNDP activities, it was considered that an even more comprehensive annual report might be envisaged which would encompass under one umbrella many of the recurrent items that the Council normally considered as separate items on its agenda, and which would provide a point of departure for a

general discussion of the major policy issues and directions of the Programme. Special matters, it was suggested, might also be dealt with in annexes to the report.

269. In commenting upon the many positive results achieved by the Programme in 1972, members viewed with particular satisfaction some of the essential features dealt with in the report. Chief among them were the steadily improving quality and consistency of the country programmes; the new impetus to be given to project formulation and implementation; efforts to define the investment-oriented elements of projects; the increasing assistance devoted to planning and to public and financial administration; the trend towards concentration on the development of the productive sectors of economy; and the unequivocal emphasis given to the universal character of the Programme.

270. More specifically, the Council enthusiastically welcomed the recognition in the report of the need to treat the social aspects of development and the Programme's increasing concern with combating the effects of unemployment and mass poverty. It was stressed in this regard that further efforts should be made to ensure that projects were designed with due consideration to their impact on improved social justice and that close co-operation between UNDP and the ILO should be encouraged. Full support was also expressed for the higher priority given to the development of the industrial sector in UNDP activities. In the judgement of some, closer links between UNDP and UNIDO should be established and both the Special Industrial Services Programme (SIS) and the industrial field advisers scheme should be strengthened. There was also broad recognition that the Programme should, through its resident representatives, be a focal point for international action in short-term emergency situations, and that the Administrator be encouraged to pursue an over-all preparedness so that UNDP might act promptly and effectively in such cases. Reference was made in this respect to the valuable assistance rendered by UNDP in Zambia.

271. On the subject of special measures in favour of the least developed countries, it was noted with satisfaction, for example, that country projects were to be the prime concern of these countries, which would take into account their specific, individual needs. While looking forward with great interest to the Administrator's report on this matter at the Council's seventeenth session, several members expressed the hope that the special measures envisaged would involve primarily operational activities or those which directly stimulated investment, and that the most qualified and experienced senior staff would be assigned to the least developed countries.

272. While much consideration was given to the marked improvement in the Programme's activities in 1972, members of the Council also focused on some of the specific problems and shortcomings of the system. Firstly, the conviction was expressed that insufficient attention had been given to the area of regional and interregional co-operation as an essential tool for development. Supporting that view, one member regretted that the number of interregional projects implemented in her country had considerably diminished and expressed the hope that the Administrator would take steps to rectify the situation. Another view put forward was that global activities merited special attention and that serious consideration should be given to the possibility of increasing the percentage of total resources for these activities. At the same time, intense interest was also expressed in the role that regional,

interregional and global projects in the sector of science and technology could play in implementing the World Plan of Action for the Application of Science and Technology to Development. 7/

273. Secondly, repeated emphasis was given to the need for close co-operation between UNDP and the executing agencies. Some members alluded to the fact that country programme management had not always been as effective as it might have been and that this was to some extent due to the agencies' reluctance to co-operate fully with UNDP and to the apparent tendency of some to regard the Programme mainly as a source of extra-budgetary funds. Strong exception to this view was taken by one member, who declared that he was unaware of any complaints regarding the lack of co-operation between resident representatives and agency representatives in the preparation of country programmes.

274. The call for better performance and for the timely delivery by the agencies of high quality development assistance was heard throughout the discussion. It was strongly urged that the agencies make greater efforts to strengthen their delivery capability, and it was against this background that a number of members drew attention to General Assembly resolution 2975 (XXVII) inviting the executing agencies to improve their operational efficiency. In line with this, it was hoped that the agencies would also provide detailed information on the difficulties encountered in securing more efficient implementation of projects and on the remedies envisaged. Among the suggestions discussed by members for speeding up project implementation were the more liberal use of short-term experts; entrusting the management of projects to appropriately qualified nationals in the recipient countries; the setting up of central, operational departments within the agencies; and the recruitment of younger experts who should be given remuneration equivalent to what they would receive on the international market. A further suggestion that the effectiveness of project implementation could be substantially increased if greater use were made of outside contracting aroused a mixed reaction on the part of the members. While a few considered that the Administrator should be given some flexibility in his efforts to improve implementation and to lighten the burdens of the agencies, one member vigorously opposed this view, recalling that under the Consensus, most particularly paragraphs 39, 40 and 41, the organizations in the United Nations system were to be given priority in the execution of projects. In this connexion, the question was also raised regarding the extent to which the services of national companies and institutions in the recipient countries themselves could be utilized, in view of the authority of the Administrator for direct execution of projects by UNDP under subcontracting arrangements.

275. A problem which received close attention was the geographical imbalance in the subcontracts awarded and equipment ordered, involving a concentration in a small number of countries. Dissatisfaction was expressed by some members over the fact that the agencies had not secured a truly universal participation by both developed and developing countries alike in the execution of UNDP-assisted projects, and they warned of the political realities of such a practice, with serious implications for the distribution of resources for international development co-operation. On the other hand, several members deplored the idea that countries should obtain "feedbacks" or "returns" within the context of development aid on the amount of their contributions. This view was reinforced by the idea that countries receiving

7/ United Nations publication, Sales No.: E.71.II.A.18.

most of the subcontracting awards and most of the orders for equipment should make a special effort to increase their contributions to the Programme. A single member explained that his country had received a large proportion of subcontracts because it had acquired the necessary experience and skills for work in developing countries and, in his view, subcontracts should be awarded on a purely technical, not political basis. In all, the majority of members supported the view that, on the basis of the principle of universality, a more equitable distribution of subcontracts and orders for equipment was urgently needed. Similarly, the hope was also expressed that in the future the share of contracts and subcontracts awarded to developing countries, particularly those which had achieved a certain level of development, and to the socialist countries would be substantially increased. Lastly, while recognizing that UNDP could not easily intervene in the internal procedures of the agencies, it was proposed that the Administrator, in consultation with the agencies, take joint action with a view to informing all Governments of all available possibilities regarding subcontracts and equipment requirements, and, further, submit a report on the matter of subcontracts to the Council's next June session.

276. On the matter of evaluation, the Council, while expressing disappointment that the report had not dealt with the evaluation of projects, wholeheartedly welcomed the planned implementation of an evaluation process, which would not only allow for modifications in the over-all exercise, but would also provide the Council with information on which to assess the Programme's progress. Particular interest was expressed in receiving information concerning the criteria used to determine the success of projects, delays in the completion of projects, the methods used to evaluate the results of non-pre-investment projects, and whether the task of project evaluation was to be entrusted to outside consultants recruited by UNDP, the executing agencies or the Administration of UNDP itself. One member urged that a more vigorous effort should be made to weed out marginally productive activities and, in this connexion, it was considered useful if the Council were to be informed on a regular basis of the efforts of the Administrator to generate resources for the new priorities by eliminating outdated projects. Another member, concerned with the delay in the execution of projects and programmes, requested the Administrator to inform the Council on a regular basis of the level of effective execution of the programme and its effect on the rate of disbursement.

277. In a related matter, special emphasis was given to the matter of the mid-term review of the country programming exercise to be undertaken in 1974, which in the opinion of one member should be geared to the goals and policy objectives of the International Development Strategy. ^{8/} Another member, while agreeing with the necessity of assessing past experience, cautioned that such reviews should not be overly frequent since that might impede implementation. In line with this, a third member reiterated a suggestion expressed at a previous session that a record of UNDP experience should be compiled, on a systematic basis, to provide Governments with a picture of the kinds of activities UNDP was best suited to perform, the areas in which it had gained special knowledge, and any setbacks it had experienced.

278. Underlying many problems of concern was the question of the growth rate of resources, which several members considered was closely linked to the need for improved performance. Other members considered that the growth rate of resources was also related to the political will to attain the objectives of the Second United

^{8/} General Assembly resolution 2626 (XV) of 24 October 1970.

Nations Development Decade. Some members gave particular weight to the need particularly for developed countries, but also for developing countries, to increase their voluntary contributions by at least 9.6 per cent, in order to make the Programme more responsive to the urgent and growing needs of developing countries. At the same time, one member expressed the hope that in the future management decisions for the next programme period would be based on a realistic estimate of the growth of resources. The proliferation of funds was viewed by several members as a threat to the UNDP system, as being unfavourable to the increase in UNDP resources at the anticipated pace, and contrary to the objectives of the Decade in regard to the unconditional nature of contributions to UNDP.

279. During the course of the discussion, one member announced a final pledge in his country's contribution to the Programme for 1973, totalling \$3.5 million. Another member declared his country's intention to raise its contribution for 1974 to the equivalent of \$806,000.

280. Varying views were expressed regarding the scope of the leadership role of UNDP. On the one hand, some members endorsed the view that the co-ordinating role of UNDP should not be restricted to the United Nations system and they attached great importance to the possible role that the resident representatives might play in the co-ordination and integration of multilateral and bilateral assistance programmes. In this regard, one member proposed that at an advanced stage of programme formulation, consultations should be held in the field between the resident representative, the recipient Government and its bilateral donors. The same member also suggested that a list of other forms of external aid under consideration should be annexed to the country programme in order to provide the Council with a better understanding of the way in which Government priorities were integrated with UNDP-assisted projects and with a better appreciation of the needs of the countries concerned. An example of an opposite view was firmly reiterated by one member, who stated that the co-ordination of multilateral and bilateral assistance efforts was the exclusive sovereign right of the Governments concerned. In his judgement, it was preferable that resident representatives refrain from any interference in the domestic affairs of the developing countries and from acting as "brokers", albeit honest ones, in finding new sources of assistance. A second member commented that certain passages in the report regarding UNDP's leadership role and its catalytic effect on the use and provision of other resources of technical assistance implied a certain will to power on the part of UNDP which he regarded as misplaced. He stressed in this regard that the success of UNDP would be assured not when it assumed a position of leadership, but when the recipient countries became capable of taking full control of their own planning machinery and multilateral assistance was no longer needed.

281. Another matter which occupied the Council's attention was the question of management policy, and in particular personnel and recruitment policy and practice. In the ensuing discussion, interest was centred on the following concerns. Firstly, reference was made to the fact that a considerable number of strategically important field positions at the level of the resident representative, deputy resident representative and programme officer, particularly in some of the least developed countries, had been vacant for too long a period of time. Secondly, further efforts should be made to ensure a more equitable geographical distribution in the recruitment of staff, particularly from the developing countries in the various regions, in both the UNDP Administration and in the execution of projects. Similarly, the Administration should take into account the noticeable lack of

personnel in UNDP, both at Headquarters and in the field, from the socialist countries. One member stated that the base of recruitment should be broadened without any sacrifice of quality and that the attention of Governments which were under-represented should be drawn to this problem. Thirdly, increased emphasis should be given to the recruitment of young people at Headquarters, particularly from the developing countries, and measures should also be taken to ensure adequate promotion prospects for them.

282. On the subject of a career service, one position supported was that UNDP should evolve a system flexible enough to meet the increasingly diversified needs of the developing countries (including those requiring the talent and experience of individuals or teams incompatible with permanent long-term appointments) and at the same time avoid building an element of rigidity into its personnel cadre. Another member was concerned that a career service might ultimately lead to the creation of a closed caste of UNDP officials and thus block the inflow of new forces, especially into senior posts. Special emphasis was also given in this connexion to the maximum utilization of the large reserves of highly qualified and experienced experts which existed in developing and in socialist countries. In this connexion, disappointment was voiced by one member of a socialist country over the diminishing extent to which her country was called upon to participate in the execution of UNDP projects and she strongly urged that steps be taken to correct the situation in the future. Lastly, a degree of dissatisfaction was expressed at the fact that changes in the administrative structure of UNDP in 1972, including the appointment of senior staff, had been carried out without prior consultation with the Governing Council. In this regard, the hope was expressed that in the future the Administrator would consult the Council on all such matters and would periodically report to it on the projected organizational changes and new appointments to professional posts. Allied to this concern was the criticism voiced by two members regarding the regional bureaux, which, in their view, had been relegated to secondary positions as a result of the greater centralization that had taken place in the Administrator's immediate office, which was contrary to the letter and spirit of the Consensus. The importance attached to direct communication between the Administrator and the regional directors and the latter's participation in the decision-making process of UNDP, was strongly emphasized. It was to be regretted, therefore, that the regional directors had not participated in the Council's discussion of criteria to be followed in calculating IPFs, to which they might have made a valuable contribution.

283. On the general subject of international expert aid, a viewpoint was put forth which called into question one of the traditional forms of technical assistance. The conviction was expressed, for example, that in view of the changing needs in many developing countries, what a country most often lacked was not foreign expertise, but rather technological know-how. Furthermore, in many cases, the best experts were to be found in the recipient countries themselves, since they had a wider knowledge of the environment and the needs of the country concerned than did foreign experts. It was therefore considered useful for the Administration to study and report to the Council on possible new forms of aid for countries which had reached the stage where technical expertise no longer constituted a major bottle-neck to development.

284. One member called upon the Administrator, in pursuance of General Assembly resolution 2918 (XXVII), to include in the agreement to be concluded between the Organization of African Unity (OAU) and UNDP provisions enabling UNDP resources to be used, at the request of the OAU, for assistance of a humanitarian nature,

particularly in the fields of health and education, to the peoples in the liberated areas of Angola, Guinea (Bissau) and Cape Verde and Mozambique to be executed by the specialized agencies concerned. It was further proposed that the funds to be used for such assistance could be drawn from the Programme Reserve. While a number of members drew attention to the complicated legal, political and constitutional problems involved in such assistance, there was a large measure of agreement that UNDP should take the necessary steps to render assistance to the peoples in the liberated areas of southern Africa. Another member from a developing country in Africa, while endorsing the initiative, considered that the Council should not take a final decision on the proposal until extensive consultations between the Administrator, the OAU and the representatives of the liberation movements were held, in order that a satisfactory solution might be found. More particularly, it was also suggested by yet another member that the OAU should be requested to prepare a report describing the current needs of the liberated areas, particularly in the fields of training, education and health, and that the Economic Commission for Africa should also be involved in the provision of the necessary expertise and should suggest projects suited to the needs of the liberated areas. In his view, the national liberation movements themselves, which had been granted observer status by the United Nations, should be consulted, either directly or through the OAU, since they were ultimately responsible for the way in which assistance programmes would be implemented. It was generally agreed that it would be useful if the Administrator could report on the matter to the Council at its seventeenth session, with particular regard to the sources of financing. One member objected to the proposal on the ground that his Government considered the national liberation movements illegal; he deprecated the use of violence anywhere. He also felt that the agencies of the United Nations system should deal only with legally constituted and internationally recognized administering authorities and that the serious difficulties in properly defining the limits of the liberated areas in question and in organizing and properly administering assistance should not be underestimated. He also stated that there were very complex legal and constitutional aspects of the problem as well as limited monetary resources available. Such a position and the description used for the national liberation movements, which they considered legitimate, were strongly deplored by a number of members and considered by them to be highly inappropriate and unacceptable. Following the Administrator's explanations, some members expressed their satisfaction with his statement and said that it was their understanding that he would also consult with the Organization of African Unity on this matter.

285. Members viewed favourably the idea that, in the light of the trend towards increased UNDP assistance in the field of environmental activities, close co-operation between UNDP and the United Nations Environment Programme (UNEP) would be desirable, and that the participation of the Executive Director of UNEP in the Inter-Agency Consultative Board (IACB) should be formalized.

286. On the matter of information activities, regret was expressed at the meagre reference in the annual report to UNDP's efforts to provide information about its own programmes, particularly in view of the various changes which had been made in the documentation prepared and distributed by UNDP in 1972. Interest was also expressed in knowing more about UNDP's participation in the preparatory work for the periodical Development Forum, published by the United Nations Centre for Economic and Social Information (CESI).

287. Finally, the Council shared fully the Administrator's concern regarding the proliferation of meetings and documentation. In this connexion, several members

indicated that they would strongly favour the holding of only one Governing Council session annually, which might be supplemented by informal consultations throughout the year, while other members felt that, under present circumstances, it would be essential to maintain a system of two regular sessions every year. While appreciating the Administrator's initiative regarding the creation of a sessional group to study the working methods and role of the Governing Council, the hope was expressed that the Administrator might present to a future session of the Council effective plans for providing policy consultation between the Administration and all members of the Governing Council. At the same time, it was strongly reaffirmed that the primary responsibility for the Programme's conduct rested with the Governing Council, subject to confirmation by the Economic and Social Council and the General Assembly.

Observations of the Administration

288. In responding to the observations made regarding the question of subcontracts, the Assistant Administrator, Bureau of Administration and Finance, stated that the problem was complicated and perplexing. It was therefore necessary to proceed with caution and to bear in mind the responsibilities that existed in the field of procurement of services and supplies. In effect, it was the specialized agencies and the recipient Governments, with the co-ordination provided by the resident representatives, which were responsible for the implementation of projects, and the ability of UNDP to control the procurement aspects was limited.

289. UNDP had, in the past, endeavoured to achieve a better geographical balance in the award of contracts and placing of equipment orders by providing information and assistance to the executing agencies. However, this had not, over the years, met with as much success as UNDP would have liked to see. With the introduction of country programming, new problems had arisen, particularly with regard to the difficulties in identifying, at an early stage, concrete project requirements resulting from contractual obligations. In recent months, he noted, UNDP had tried to establish co-operative ties with the agencies and to bring about a situation in which all agencies would have access to the latest information on ways of implementing projects. He also informed the Council that the April 1973 issue of Pre-Investment News had been devoted to a "contractor's guide" containing information on how to make contact with UNDP and its executing agencies under the new programming system, and on contact points in various Governments. While each issue also contained information on contracts awarded, UNDP was always behind in collecting information because of the number of agencies with which it had to deal and the slowness of communications. He also referred to the series of seminars UNDP had organized with the agencies for the purpose of sharing new ideas about contracting, subcontracting and purchasing possibilities. In addition, the problem of equitable distribution of opportunities to provide supplies and services had also been discussed.

290. With regard to the suggestion that the Administrator report on the matter of subcontracting at the eighteenth session of the Council, the Assistant Administrator said that he would prefer to let the annual report for 1973 tell its own story, accompanied by a commentary from the Administrator. In his judgement, more experience in subcontracting under the country programming system was needed and it seemed somewhat premature at this stage to draw any general conclusions. Moreover, he hesitated to see UNDP become involved in the operational activities of the agencies.

291. The representative of the Food and Agriculture Organization of the United Nations (FAO) pointed out that increasing difficulties were being faced by the executing agencies in efforts to administer contracts in an orderly and cost-effective manner because pressures were being felt from recipient Governments and other sources in favour of particular methods of project execution.

292. In referring to the small Division of Projects Execution recently established in UNDP, the Administrator indicated that a few transactions had already commenced in essential areas where the agencies did not have the appropriate competence or expertise. However, he pointed out that UNDP had no desire to enter into operational activities except when necessary for project success; no grandiose schemes were envisaged for the unit.

293. On the subject of management organization, the Administrator assured the Council that the five Assistant Administrators and two Deputy Administrators functioned together as his cabinet in complete accordance with the Consensus. He also pointed to the fact that the budget for 1974 would contain the smallest increase in administrative costs for the Headquarters office since the merger of the Special Fund and Technical Assistance activities of UNDP, which reflected the efforts at decentralization. As to the vacancies outstanding in the field, he informed the Council that many of these posts had been filled in recent months. He noted, however, that UNDP had conducted a full-scale evaluation of personnel in 1972, and had deliberately left a limited number of posts vacant until the study had been completed and in order to recruit the best people possible.

294. With regard to UNDP's co-ordinating role in respect of bilateral and other multilateral activities, he emphasized that such activities on the part of the resident representative were only done in response to local Governments and bilateral programmes as well as non-governmental organizations, and that such action was consistent with the spirit and letter of the Consensus. He informed the Council that a new integrated system of project evaluation was being initiated which would help develop useful guidelines for the Second Development Cycle.

295. The Administrator expressed serious interest in the question raised during the discussion of this item regarding assistance to the peoples of colonial territories in southern Africa and the implementation of resolution 2918 (XXVII) of the General Assembly. He noted at the same time that serious legal and practical constraints were involved. He stated that he expected to discuss the subject soon with a group of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, which was examining these questions and he would follow the matter closely, keeping the Council informed of the results of his consultations.

Decisions of the Governing Council

296. At its 387th meeting, the Governing Council took note with satisfaction of the annual report of the Administrator (DP/L.277 and Add.1-3) and suggested that the Administrator take into account the observations and suggestions made in the course of the discussion.

297. At the same meeting, the Governing Council decided to recommend to the Economic and Social Council for adoption the following draft resolution:

"The Economic and Social Council,

"Having considered the recommendation of the Governing Council of the United Nations Development Programme (UNDP) at its sixteenth session concerning the participation of the Executive Director of the United Nations Environment Programme (UNEP) in the Inter-Agency Consultative Board (IACB) of UNDP,

"Recommends to the General Assembly that it adopt the following resolution:

"The General Assembly,

"Having considered the report of the Governing Council of the United Nations Development Programme (UNDP) on its sixteenth session (E/5365/Rev.1) and the recommendation of the Economic and Social Council in its resolution ... (.....) concerning the participation of the Executive Director of the United Nations Environment Programme (UNEP) in the Inter-Agency Consultative Board (IACB) of UNDP,

"Believing that the participation of the Executive Director in the IACB would benefit both UNEP and UNDP,

"Decides that the Executive Director of UNEP shall be invited to participate, as appropriate, in the meetings of IACB."

CHAPTER IX

DRAFT STATUTE FOR UNDP

298. Under item 9 of its agenda, the Governing Council had before it documents DP/L.280 and Add.1, which presented article by article the text of the draft statute recommended by the Administrator, comments and proposals by Governments and by the organizations in the United Nations system, and explanatory notes by the Administrator, followed by the legislative source of the proposed articles of the draft statute.

299. In accordance with the decision taken by the Council at its fifteenth session, the Working Group on the Draft Statute for UNDP met for the purpose of preparing a draft statute for consideration by the Council. Following the conclusion of the Working Group's meetings, its Chairman reported to the Council that the Working Group had decided to use as the initial basis for its discussions the draft statute and other material in document DP/L.280. The Group also decided to have two readings of the draft statute, and to have clean texts of the articles as they were adopted on first reading. At its meetings during the sixteenth session, the Working Group had completed one reading of the draft statute except for 10 articles which were deferred pending further consultations between the Secretary-General and the Administrator. In the course of that reading, it had taken into account relevant comments of the Advisory Committee on Administrative and Budgetary Questions (DP/L.288).

300. The Chairman informed the Council that the results of the Working Group's first reading of the draft statute fell roughly into three categories. First, there were the sections on which decisions had been taken on first reading without dissent, consisting of 21 articles and two annexes. In this regard, the Working Group had agreed on the texts of 19 articles and one annex, decided to delete two articles, and requested the Secretariat to prepare an additional annex to contain definitions of terms found in the draft statute. Falling into a second category were the sections on which no unanimity was reached on first reading in the Working Group. Thirteen articles of the draft statute and one of its annexes belonged in this category. There was yet a third category of articles, namely, those the consideration of which was deferred pending further consultation thereon between the Secretary-General and the Administrator. There were 10 such articles. One of these, article VIII on trust funds, was considered by the Working Group and had been adopted with some words in square brackets prior to the receipt of information that consultations between the Secretary-General and the Administrator were necessary on this and other articles.

CHAPTER X

INFORMATION PAPERS ON THE REGULAR PROGRAMMES OF TECHNICAL ASSISTANCE IN 1972 OF THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

301. Under item 6 of its agenda, the Governing Council had before it summary statements submitted by the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Health Organization (WHO), the International Civil Aviation Organization (ICAO), the World Meteorological Organization (WMO), the International Atomic Energy Agency (IAEA), the United Nations Industrial Development Organization (UNIDO), the Universal Postal Union (UPU), the International Telecommunication Union (ITU), the International Bank for Reconstruction and Development (IBRD), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Children's Fund (UNICEF) (DP/L.275). The Inter-Governmental Maritime Consultative Organization (IMCO) had had no regular programme of technical assistance in 1972, and the Food and Agriculture Organization of the United Nations (FAO) submitted no summary statement of its technical assistance activities since these were fully absorbed under its regular programme of work and budget.

Summary of discussion

302. While welcoming the information provided by agencies on their regular programmes, members suggested that future reports should be oriented towards country programming, to enable the Council to judge whether the regular programmes of technical assistance of the agencies fell within the framework of country programmes and to assess the over-all aid being extended to countries by the United Nations system. Several members expressed regret that FAO had not supplied information on its regular programme of technical assistance.

303. One member expressed satisfaction with the activities of UNICEF, which had provided food and other aid in Africa and Asia and undertaken research on the availability of water. He observed that his delegation would have liked to be informed of the measures contemplated by WMO to counteract problems such as drought and floods, by FAO to build up a world food reserve as had been recommended by the Economic and Social Council, and by UNESCO and UNIDO to provide special assistance to the least developed countries in education and industrialization. Another member said that the proposal to establish a food reserve had been fully supported by the Director-General of FAO but that a plan of action depended on the outcome of the next FAO conference in November 1973. A representative of FAO added that he was prepared to supply any further information requested on this question. With respect to the problem of water shortage, FAO, in collaboration with UNDP and the United Nations Office of Technical Co-operation, had sent missions to regions suffering from a shortage of water.

304. Several members reiterated their strong support of the agencies and of their important role in the United Nations development system. It was unfortunate that

their technical assistance activities, which should be expanded, were limited by financial constraints. In this connexion, particular mention was made of the situation of UNIDO, which had neither its own budget nor control over its administration and personnel. It was suggested that UNIDO should be made an autonomous organization with sufficient resources to enable it to respond more fully to the widespread desire for industrialization of developing countries. Some members also expressed the hope that the Governing Council would endorse a further increase in the number of industrial development field advisers.

305. One member also focused attention on the limited resources of the UNCTAD/GATT International Trade Centre. He appealed to States favouring the promotion of trade in developing countries to contribute sufficient funds to enable the Centre to carry out the projects needed in this field. Supporting this position, an Observer noted that UNCTAD assistance was insufficient, being limited to a few regional and interregional seminars on international trade and invisibles.

Decision of the Governing Council

306. At its 384th meeting, the Governing Council:

(a) Took note of document DP/L.275 and of the statements made by members during the discussion on agenda item 6;

(b) Requested the Administrator to provide the necessary information on the relations between the regular technical assistance activities of the specialized agencies and IAEA and the UNDP country programmes.

CHAPTER XI

OTHER MATTERS

A. ASSISTANCE TO SAHELIAN POPULATIONS AFFLICTED BY HUNGER AND OTHER CALAMITIES DUE TO PROLONGED DROUGHT

307. To assist in the consideration of assistance to Sahelian populations afflicted by hunger and other calamities due to prolonged drought, the Governing Council had before it two reports included in document DP/L.289; firstly, a report by the Food and Agriculture Organization of the United Nations (FAO) on emergency measures which was being submitted to the sixtieth session of the FAO Council; and, secondly, an outline of measures already taken by UNDP for the immediate future, as well as those which could be envisaged in relation to possible medium- and long-term programmes.

308. Introducing the document, the Assistant Administrator and Director of the Regional Bureau for Africa explained that the lives of between a quarter and a third of the 24 to 25 million inhabitants of Chad, Mali, Mauritania, Niger, Senegal and the Upper Volta - the six Sahelian countries afflicted - were in danger, while a sizable proportion of the 57 million head of animals was already decimated. The fragile economies of the region, resting largely on agriculture and animal-raising, were now so crippled that it would be illusory to think that they could be restored to health by 1974. The rescue operation should continue for at least another year, if not for several years, until the short- and middle-term assistance measures began to take effect.

309. The Assistant Administrator pointed out that UNDP was not primarily concerned with emergency relief operations. However, it was assisting in emergency work because the economies it wished to help develop were being so gravely damaged by the disaster. This explained UNDP's urgent assistance, totalling \$3.3 million, in three areas: underground water supplies, protection of livestock and purchase of seeds. Other valuable assistance was being provided by the UNDP resident representatives in the area, who were working closely with the Sahelian region Governments and who had actively participated in collecting data which kept the international community informed of the scale of the disaster.

310. Referring to medium- and long-term assistance, the Assistant Administrator said that UNDP, the United Nations and FAO all believed that it was especially important to avoid taking isolated measures which would result in making genuine solutions more difficult. For example, while water supplies were the most important single element in the desired solution, digging wells without at the same time upgrading pastures could lead to still graver environmental damage. A meeting of technicians was desirable so that long-term, scientific approaches to the problem could be agreed upon.

311. He emphasized that the problems were so complex and the task so enormous that all possible sources of assistance must be mobilized, based on programmes that the Sahelian region Governments themselves defined.

312. The Assistant Director-General of FAO explained the background of FAO and World Food Programme (WFP) assistance since their early warning system had alerted them to the Sahelian danger in 1972. Among other tasks FAO was seeking food-stuff donors for 1973-1974, planning the establishment of strategic food reserves in the six countries affected and taking stock of the available pasture reserves. One long-term programme should be a study of present grazing systems, including the possibility of setting up grazing reserves, with clear linkages between grazing management, water development, soil conservation, livestock production and the supply of supplementary feed. Agro-climatic monitoring, improved marketing channels, and reafforestation were also essential. Preferably, all of these plans should be implemented in the framework of a pilot area development programme.

313. A member, speaking on behalf of the six Sahelian nations, sketched a sombre picture of the present situation. The catastrophe was of gigantic proportions. Entire families queued all day for a few grams of maize or sorghum. Terrible fights took place around waterholes. Scurvy and beri-beri were striking the weakened inhabitants, while herds were at the mercy of trypanosomiasis. Thousands of families were fleeing south, abandoning land, homes and livestock. Many were swelling into urban areas, causing serious social and health problems. What had appeared at first to be a climatic freak had become a fixture for three consecutive seasons, with the drought area extended over an area five times the size of France. Its persistence had surprised everyone: climatologists, specialized agencies and Governments of the region.

314. He informed the Council that, contrary to some reports, the six Sahelian countries had made every effort to cope with the problems facing them and had appealed for international assistance at an early date.

315. The Sahelian region's spokesman thanked UNDP and bilateral donors for the assistance already granted or planned. He called for an additional effort, emphasizing that the assistance still needed was great. It was necessary not only to prevent famine in the short-term, but also to destroy the causes of it, allowing the Sahelian countries to work towards a future in which they could solve their own problems.

Summary of discussion

316. One member stressed that the international community continued to be unprepared for disasters of such magnitude. The present situation resulted from two tragedies: underdevelopment and the growing world food crisis. The absence of global food reserves was caused by policies that were on the whole irresponsible; it was altogether wrong that food supplies should depend upon the success or failure of one or two harvests. At a time when international action was needed, it was irritating to see how the enormous potential of the United Nations system, both for emergency relief and for long-term programmes, was wasted because the system was denied the necessary resources.

317. Many members expressed their concern and sympathy to the peoples of the Sahelian region. A number of members outlined the bilateral assistance their Governments had already given to the region, or planned for the future. Others emphasized that assistance must be co-ordinated to the fullest extent, with the Governments concerned, with bilateral donors, and within the United Nations

system itself, which should have no room for competition or rivalry between agencies. One member regretted that DP/L.289 contained no reference to the Disaster Relief Co-ordinator in Geneva; this suggested that proper United Nations co-ordination did not exist. Other members congratulated the United Nations system for the effective action already under way.

318. UNDP's essential role in medium- and long-term development work, to help create the foundations for sound economies, was generally emphasized. Within this context, a number of members welcomed the technical meeting to discuss long-range solutions, mentioned earlier by the Assistant Administrator. UNDP's long-term objectives, as outlined in DP/L.289, were supported. However, a few members, fearing duplication, expressed doubt about the possibility that UNDP might take, to quote paragraph 12 (d) of DP/L.289, "catalytic action aimed at mobilizing from various sources the needed external aid".

319. On additional funds for programmes in the Sahelian region, a number of members suggested that the \$2.6 million of Programme Reserve not expended in 1972 should be made available. However, one member said that it was difficult to agree that this sum should be entirely lost to those of the 25 least developed countries that were unaffected by the drought.

320. The President of the Council, speaking as Chairman of the Inter-State Committee against the Drought, expressed deep appreciation for the concern and sympathy shown for the plight of the peoples in the countries affected during the discussion. He recognized that the provision by the Council of additional funds for the Sahelian area was, unfortunately, unavoidably limited by the general shortage of UNDP financial resources.

Observations by the Administration

321. The Administrator informed the Governing Council that UNDP would take all possible steps to increase the funds available for assistance to the Sahelian countries from \$3.3 million to \$8.3 million. He shared the feelings expressed in the Council concerning the plight of the peoples afflicted by the disaster. While the size of the estimated UNDP deficit, which was expected to total almost \$90 million of expenditure in excess of revenue by the end of 1976, could not be ignored, he would give high priority to the needs of the Sahelian area. He would explore the use of the Programme Reserve, and of funds set aside for intercountry programming and for the least developed countries to grant additional assistance to the area. He undertook to keep the Council informed of developments and would see to it that the Council's decision was carried out in the most realistic and helpful way.

322. Subsequently, the Assistant Administrator, Bureau of Administration and Finance, recalled the Council's earlier experiences in dealing with disasters and other serious problems while faced with a deficit situation. He informed the Council that the unspent balance in the Programme Reserve as of the end of 1972, which it had been suggested be used for the Sahelian area, had already reverted to over-all resources and the Council had been asked to endorse that action. However, it should be possible to set aside an additional amount of about \$5 million for the Sahelian countries over the next three to four years, from the three sources mentioned by the Administrator. Some \$1 million annually could be diverted from

the \$9 million set aside annually for the Programme Reserve, out of which \$1.5 million had been apportioned for disaster relief by a previous decision of the Council; he considered that the balance could be drawn from unprogrammed intercountry resources and from the funds set aside for the least developed countries.

Decision of the Governing Council

323. At its 389th meeting, the Governing Council:

- (a) Took note with appreciation of the information given in document DP/L.289 on the assistance to Sahelian populations afflicted by hunger and other calamities due to prolonged drought;
- (b) Commended the efforts of Member States, the Secretary-General, the organizations of the United Nations system, the Director-General of FAO, who was charged with co-ordinating the emergency measures, and those regional and charitable organizations which had been able to take action in response to the appeal launched on behalf of the hard-pressed peoples of the six countries concerned, and appealed to them to continue and redouble their efforts;
- (c) Approved the measures already taken by the Administrator and those envisaged under medium-term and long-term programmes as described in document DP/L.289;
- (d) Recommended that the Administrator:
 - (i) Ensure that the planning and execution of UNDP programmes in each of the countries affected by the drought were as flexible as possible in order that those programmes might take into account the needs and financial difficulties created by the effects of the drought on the economy of those countries;
 - (ii) Release appropriate resources to finance, at the regional, interregional and global level, programmes for the medium-term and long-term solution of the problems faced by the Governments of those countries in their efforts to rebuild the economy of the countries in question and to provide them with permanent protection against other such disasters;
- (e) Authorized the Administrator to use \$5 million over the period 1973-1976 for additional aid to be given to the drought-stricken Sudano-Sahelian countries;
- (f) Requested the Administrator to report to the Council on the implementation of this decision;
- (g) Addressed an appeal to world public opinion, and especially to the information media, to co-operate as effectively as possible in creating the requisite conditions for increased aid to the Sahelian peoples affected by the disaster.

B. TIMING AND ORGANIZATION OF FUTURE SESSIONS OF THE GOVERNING COUNCIL

324. The Administrator drew attention to the efforts of the Economic and Social Council to rationalize its work and to review the frequency and timing of the sessions of various bodies reporting to it, as well as the volume of documentation involved. On his suggestion, the Council established an informal ad hoc working group to study the question of the length of the sessions of the Governing Council and the volume of its documentation.

325. The working group held three meetings and reached general agreement on the following points, on the understanding that they did not affect the responsibilities and functions of the Governing Council as a main policy-making body of UNDP:

(a) The system of two sessions a year should be maintained at least for the time being, it being recognized that the Governing Council must consider before the beginning of the next Development Cycle its role in the country programming process, including evaluation and implementation.

(b) It would be preferable to hold a short session in January in New York and a longer session in June in Geneva or some other location. The possibility of holding the last meetings of the summer session during the first days of July should be explored.

(c) The Budgetary and Finance Committee should continue to meet at each of the sessions.

(d) An even more comprehensive presentation in June of the report of the Administrator should be considered. It would cover most of the recurrent items that the Council took up annually. The report should aim primarily at giving information on activities of the UNDP programme needed by the Council for the adoption of decisions on UNDP policies.

(e) Information on projects approved by the Administrator could be communicated to members of the Council seriatim. Accordingly, only a brief analysis of projects approved would be submitted to the Council once a year, together with a summary of the projects approved, by region. Similarly, audit reports might be communicated to members when they were available rather than as session documents.

(f) The note by the Administrator accompanying each of the country programmes should be issued in all languages at least six weeks in advance of the session. The country programme document should be distributed in all working languages as soon as it was available and at least six weeks in advance of the session.

(g) In connexion with the agenda for the forthcoming January and June sessions, the Council should hold a preliminary discussion with a view to reaching agreement on the provisional agenda, the distribution of work between the two sessions and the organization of the work of each session.

(h) With regard to the agenda of the forthcoming January session, the Council should consider the following: country programmes, criteria for IPFs, special measures for the least developed countries, sectoral support and advice for

resident representatives, and General Assembly resolutions requiring immediate action by the Council. The Budgetary and Finance Committee should consider at that session the financial resources of UNDP in the light of the Pledging Conference, and the outline of the budget estimates for 1975.

326. Other proposals put forward during the informal discussion in the working group included the following:

(a) The Council might consider the possibility of holding several short sessions every two-three months to consider country programmes and other suitable items and such sessions would be serviced by the permanent missions' staffs.

(b) The country programmes should be examined by an ad hoc committee meeting at the beginning of or during the course of the session in the same manner as the Budgetary and Finance Committee. After examining the country programmes, the ad hoc committee would report to the Council.

(c) It was suggested that the Council might consider country programmes once a year at its June session. To facilitate this, country programmes would be circulated to members of the Council for comments, and the Administrator would be authorized to give provisional approval to country programmes if no objections were received after a reasonable time. The Council, once a year, would then be asked formally to approve the programmes or to discuss particular questions raised by members.

(d) Sufficient flexibility should be maintained to permit the inclusion in the agenda of both the January and June sessions of items of major interest such as criteria for IPFs and implementation.

(e) The reports of the Administrator should be more decision-oriented. Similarly, the information papers on the regular programmes of the agencies should be more action-oriented and be drafted, as far as possible, within the framework of country programming.

(f) It would be inadvisable for the Council to reduce the length of either its January or June sessions. On the contrary, it was essential for the Council to retain the system of two full sessions in order for it adequately to examine the important changes taking place in the Programme.

(g) The possibility of having one session devoted to administrative and budgetary questions and one to policy questions might be envisaged.

(h) The adoption of a system of biennial budgeting should contribute to shorter sessions of the Budgetary and Finance Committee.

(i) The Council should aim towards one annual session, but the difficulty of arriving at this solution immediately was recognized.

(j) Meetings should commence on time and local holidays should be indicated in the provisional programme of meetings.

(k) The Administrator should prepare a study in depth on the rationalization of the work of the Governing Council and present the study to the members of the Council for their comments.

(1) Any significant proposal for a rationalization of the work of the Council should take into account the basic responsibilities and functions of the Governing Council as a main policy-making body of UNDP. There must be no significant change in the working methods of the Council until the end of the present transition period. Any such change should be made only after the programming process had become stabilized and after serious study by Governments and the Administration. The question of the length of the sessions should be determined on the basis of decisions of the Council on its agenda and no artificial limitations should be established in advance. Any proposal to establish smaller working groups or provide for other consultative devices to deal with important policy questions would tend to give a greater voice in the Programme to a few members and would be clearly contrary to the spirit of UNDP and the principles of the Consensus.

327. During the consideration of the report of the informal working group, the Governing Council agreed that the Secretariat should circulate the arrangement of business for the forthcoming sessions much sooner than in the past so that delegations could arrange their representation well in advance. It was also agreed that the item on the United Nations Fund for Population Activities should be taken up early during the seventeenth session.

CHAPTER XII

DATE AND PROVISIONAL AGENDA OF THE SEVENTEENTH SESSION

328. At its 394th meeting, the Governing Council decided to hold its seventeenth session from 14 January to 1 February 1974 at United Nations Headquarters. It was also agreed that the Budgetary and Finance Committee would convene at United Nations Headquarters on 14 January.

329. At its 391st meeting, the Governing Council, on the recommendation of the informal ad hoc working group established to consider the timing and organization of future sessions of the Council, agreed on the following provisional agenda for its seventeenth session:

1. Opening of the session.
2. Election of officers.
3. Adoption of the agenda.
4. Country and intercountry programming and projects:
 - (a) Consideration, in private meetings, and approval by the Council of individual country programmes and projects recommended by the Administrator;
 - (b) Report by the Administrator on projects approved;
 - (c) Further review of criteria to be followed in calculating indicative planning figures for the 1977-1981 period.
5. United Nations Fund for Population Activities.
6. Special measures for the least developed countries.
7. Budgetary, financial and administrative matters:
 - (a) Estimates of resources and Programme costs;
 - (b) General outline of budget estimates for the year 1975;
 - (c) Progress report on agency overhead costs.
8. Sectoral support and advice for resident representatives.
9. Draft omnibus statute for the Programme for consideration by the General Assembly (General Assembly resolution 2688 (XXV)).
10. Action taken in 1973 by organs of the United Nations and related agencies.

11. Other matters.
12. Date and provisional agenda for the eighteenth session of the Governing Council.
13. Draft report of the Governing Council to the fifty-seventh session of the Economic and Social Council.

330. At its 391st meeting, the Governing Council also agreed, on the recommendation of the above-mentioned working group, that the following list of items should be included on the provisional agenda of its eighteenth session:

1. Opening of the session.
2. Adoption of the agenda.
3. Country and intercountry programming and projects:
 - (a) Consideration, in private meetings, and approval by the Council of individual country programmes and projects recommended by the Administrator;
 - (b) Report by the Administrator on projects approved.
4. Budgetary, financial and administrative matters:
 - (a) Financial outlook of UNDP, 1973 to 1976, and comprehensive report on financial activities during 1973, and Audit Reports for the previous year;
 - (b) Budget estimates for the year 1975;
 - (c) Report on agency overhead costs;
 - (d) Custodianship of UNDP funds.
5. Annual report of the Administrator for 1973.
6. United Nations Capital Development Fund.
7. United Nations Volunteers.
8. United Nations Fund for Population Activities.
9. United Nations technical co-operation activities.
10. Information papers on the regular programme of technical assistance in 1973 of the specialized agencies and the International Atomic Energy Agency.
11. Report of the Working Group on Technical Co-operation among Developing Countries.

12. Other matters.

13. Date and provisional agenda for the nineteenth session of the Governing Council.

14. Draft report of the Governing Council to the fifty-seventh session of the Economic and Social Council.

ANNEX

REPRESENTATION AT THE SIXTEENTH SESSION

Members of the Governing Council

Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Central African Republic, Chile, Cuba, Denmark, Ecuador, Ethiopia, Finland, France, Germany (Federal Republic of), India, Indonesia, Iran, Iraq, Italy, Jamaica, Japan, Kuwait, Lebanon, Libyan Arab Republic, Malaysia, Morocco, Netherlands, Nigeria, Norway, Pakistan, Poland, Romania, Sudan, Sweden, Switzerland, Togo, Trinidad and Tobago, Turkey, Uganda, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay, Yugoslavia, Zaire and Zambia.

States represented by observers

Algeria, Argentina, Bangladesh, Bolivia, Czechoslovakia, German Democratic Republic, Guyana, Hungary, Israel, Malta, Mexico, Mongolia, New Zealand, Peru, Tunisia and Venezuela.

United Nations bodies

United Nations Secretariat, Office of the High Commissioner for Refugees, United Nations Children's Fund, United Nations Conference on Trade and Development, United Nations Development Programme, United Nations Environment Programme, United Nations Fund for Population Activities, United Nations Industrial Development Organization, United Nations Institute for Training and Research, United Nations Volunteers.

Specialized agencies

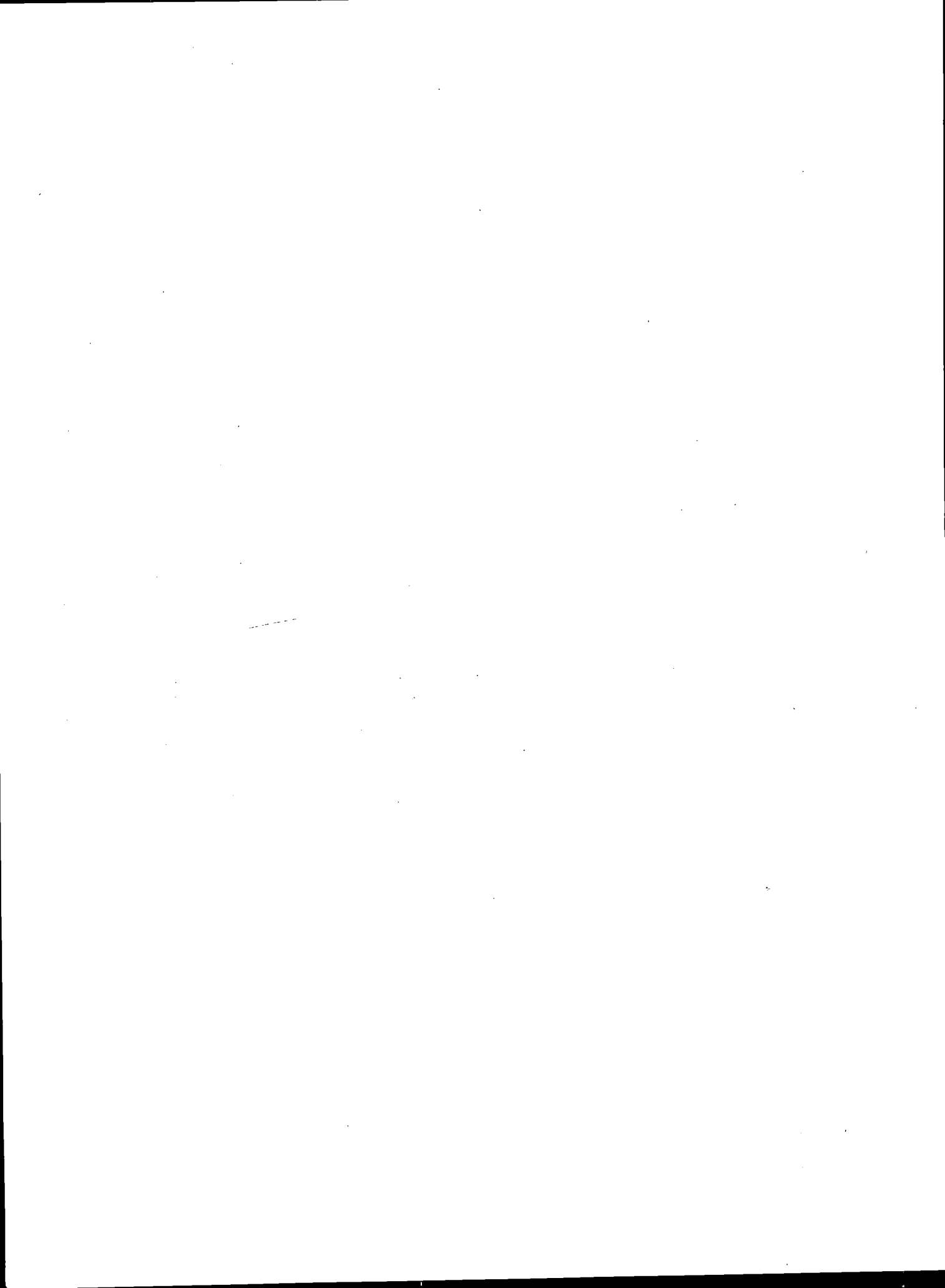
International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, International Civil Aviation Organization, World Health Organization, International Bank for Reconstruction and Development, International Monetary Fund, Universal Postal Union, International Telecommunication Union, World Meteorological Organization, Inter-Governmental Maritime Consultative Organization.

Other intergovernmental organizations

Caribbean Development Bank.

Non-governmental bodies

International Council for Voluntary Agencies, International Secretariat for Volunteer Service.





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