

## Chapter II

## Operational activities for development

A comprehensive policy review of United Nations operational activities for development took place in 1992 at a critical juncture for developing countries and international development cooperation. The operational activities of the United Nations system were undergoing important changes to adapt to the circumstances of the 1990s. The question of strengthening the operational activities of the United Nations system was discussed by the Economic and Social Council in July, while the triennial policy review of operational activities was carried out by the General Assembly later in the year. In December (resolution 47/199), the Assembly stressed the need for a substantial increase in resources for operational activities for development and made a number of recommendations for improvements in the system, including the strengthening of the resident coordinator function. As part of his efforts to restructure the Secretariat, the Secretary-General established the Department of Economic and Social Development (DESD), incorporating the former Department of Technical Cooperation for Development.

During 1991, the most recent year for which figures were available, expenditures by the United Nations system on operational activities for development totalled \$8.4 billion. Of that amount, \$4.3 billion was in the form of development grants and \$4.1 billion in concessional loans.

The United Nations Development Programme (UNDP)—the central funding body for providing technical assistance to developing countries—spent \$1 billion on programme activities in 1992, a decline from \$1.1 billion in 1991. The organizational entities of the United Nations—mainly through DESD—delivered a technical cooperation programme of \$243 million in 1992, compared with \$285 million in 1991.

Expenditures in 1992 by the United Nations Capital Development Fund, a multilateral agency providing small-scale capital assistance to the least developed countries, amounted to some \$57.5 million.

With regard to technical cooperation among developing countries, the Economic and Social Council, in July, called for increased use by developed countries of consultants from developing countries to improve the cost-effectiveness of technical cooperation projects, and urged UNDP to intensify efforts to build national capacity for human resources development in developing countries (resolution 1992/41).

### General aspects

**Strengthening operational activities.** In accordance with a 1991 General Assembly decision,<sup>(1)</sup> the Secretary-General, by a June note,<sup>(2)</sup> submitted to the Economic and Social Council a report on strengthening the operational activities of the United Nations system, including the governance and financing aspects thereof, prepared by two consultants. The Council considered the report and others during its high-level segment (6-9 July), devoted to the theme "enhancing international cooperation for development: the role of the United Nations system" (see PART THREE, Chapter I), and during its operational activities segment.

The report discussed the need to reform the United Nations system as well as those reform and restructuring efforts that had already taken place. It also considered issues in governance and finance and other issues in strengthening operational activities. To assist the Council in its review of the subject of governance, the report presented four models representing four different governance structures, including the current situation, ranging from a highly centralized, unified structure to a highly decentralized one. In an appendix, the report discussed two reform initiatives and proposals—the Nordic United Nations project and a research programme of the United Nations Association of the United States, *A Successor Vision: The United Nations of Tomorrow*.

By **decision 1992/301** of 31 July, the Council took note of the Secretary-General's note transmitting the consultants' report.

**Triennial policy review.** In September/October, the Secretary-General submitted to the General Assembly a report on the triennial comprehensive policy review of the operational activities of the United Nations system.<sup>(3)</sup> The report discussed changes in United Nations operational activities, resources for development, human development, programming, the resident coordinator system and country representation, national execution, and coordinated training strategies and national capacity. Addenda surveyed the contribution of operational activities to the enhancement of science and technology in developing countries (see PART III, Chapter VII), provided statistical

data for 1991, and described the activities of the United Nations system in the Baltic States and the Commonwealth of Independent States.

Among the changes taking place in the United Nations development system were the reforms initiated by a General Assembly resolution of 1989,<sup>(4)</sup> which recognized that the 1990s required greater coherence of action and new approaches to programming operational activities, with greater emphasis on integrated and multidisciplinary support and advice.

Guiding the reforms was the resolution's call for more coordinated programming of United Nations system cooperation; harmonization of programming processes at country levels; a shift away from small projects to more concentrated and integrated programmes; the strengthening of the resident coordinator system; more decentralized capacity of the United Nations at the country level, including maximum use of national capacities; and measures to enable Governments to assume the execution of programmes funded by the United Nations. The system had taken action to comply with the resolution on many fronts.

In 1992, the Secretary-General initiated the first phase of the restructuring of the economic and social sectors of the United Nations and was in the process of consulting with a panel of high-level advisers on the future course of United Nations development activities.

The report's analysis of the country-level performance of the system's operational activities was based on the findings of four expert missions to 12 developing countries between 8 February and 11 March; 101 responses to questionnaires sent to United Nations resident coordinators; responses to a questionnaire sent to United Nations organizations and as a result of direct consultations within the Consultative Committee on Substantive Questions (Operational Activities) of the Administrative Committee on Coordination (ACC); and 71 responses to questions sent to Governments of both developing and developed countries.

The principal findings were as follows: the provisions of the 1989 Assembly resolution on operational activities<sup>(4)</sup> remained valid, although the United Nations system had taken numerous steps to implement the resolution at the intergovernmental level; differences remained in understanding and applying operational concepts; and the remaining task was to implement more fully the central ideas of the resolution and to take further steps to respond to developing countries' requirements through support from the best sources both within and outside the system.

The report reviewed the historical and international economic factors that had an impact on the availability of resources for development, noting that the International Development Strategy for

the Second United Nations Development Decade, adopted by the Assembly in 1970,<sup>(5)</sup> had set a target for each developed country of 0.7 per cent of its gross national product (GNP) to be provided as official development assistance. Several smaller developed countries had met or surpassed the target, but overall the flow of assistance had remained at half the target level.

Debate on the magnitude of resources for development had gone well beyond discussion of the desirable level of assistance and was currently addressing the following major issues: international debt; trade; environment; population; development assistance and basic needs; investment flows; and institutional framework.

With regard to the role of operational activities in human development, the policy review stated that all development effort, whether national, bilateral or multilateral, had been traditionally justified on the grounds that it would improve the lives of people. However, at national and international levels, the focus on human development remained inadequate. Developing countries had not been able to make their needs felt as an imperative in shaping global economic priorities nor had the poorer sections of the population been able to do so at the national level.

The new focus on human development in the United Nations was directed at providing the poor with the means to improve their condition. That meant improving their access to food, water, housing, health services and education. It also meant empowering them to improve their technical skills, conserve their environment, enlarge their intellectual world and protect their human rights.

Cross-sectoral dimensions had been added to the concept of human development. For example, UNDP and the United Nations Children's Fund (UNICEF), in collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Labour Organisation (ILO) and the United Nations Population Fund (UNFPA) were assisting Governments to prepare country strategies for human development that placed social concerns on an equal basis with economic growth.

As to programming of operational activities, the shift from a project to a programme approach was considered in the policy review. It was noted that the 1990s demanded greater inter-agency cooperation and integration of United Nations programmes with national strategies. The programme approach was an integral part of the national effort, and the national organization managing the programme needed to have the capacity to implement cross-sectoral programmes.

Some progress had been achieved in synchronizing all programming cycles of United Nations

funds and programmes and adapting them to national requirements. Further progress should be achieved, particularly on the basis of work being done by the Joint Consultative Group on Policy (UNDP, UNFPA, UNICEF and the World Food Programme (WFP)), by establishing an agreed plan and by stressing substantive, thematic collaboration. Further steps should be taken to improve the assessment of impact, sustainability and self-reliance in evaluating programme and project performance.

The policy review also discussed the responsibility of the United Nations resident coordinator to provide leadership in integrating and coordinating the system's response to developing countries' needs.

Resident coordinators worked in differing environments, providing development services, technical advice, humanitarian assistance and information. The resident coordinator system had been strengthened during the past three years, but further progress was needed. Several elements were essential for its improved functioning: a process to communicate United Nations goals and strategies at the country level; clearer guidelines for the functioning of the resident coordinator system; technical capacity to provide high-quality and timely support to the Government; better access to data required for country programmes; and further decentralization to the field level, delegation of authority and flexibility.

Many achievements of the resident coordinator system had relied too much on ad hoc initiatives and not enough on a systematic approach. More coherent guidance from the headquarters of various United Nations organizations was required on major policy questions, and support should come in a coordinated manner and on the basis of processes agreed upon by ACC and other coordinating entities, such as the Joint Consultative Group on Policy.

To respond more effectively to requirements for multidisciplinary advice, there was a need to give the resident coordinator the authority to constitute multidisciplinary teams and to reinforce collaborative cross-sectoral programmes through coordination and harmonization of the policies of United Nations organizations.

Wider application of the national execution modality was occurring in various countries, the policy review stated. In UNICEF, the International Fund for Agricultural Development (IFAD) and WFP, national execution was the norm. That also largely applied to the World Health Organization (WHO). For UNFPA, the proportion varied, but was much higher than for UNDP.

Current rules and procedures relating to administration and programme and project identification, formulation, appraisal, monitoring and

evaluation required by the United Nations system inhibited greater national participation. Greater harmonization and simplification of United Nations rules and procedures would facilitate national participation, enhance efficiency and make better use of scarce resources.

Addressing the issue of training strategies and national capacity, the policy review observed that the impact and the success or failure of operational activities was related to the Government's ability to provide human and financial resources. Deficiencies took various forms, among which the following were particularly relevant: shortages of qualified human resources in the public sector; lack of legal, accounting, audit and financial management personnel; lack of funding; lack of training resources; and delays in decision-making, cumbersome national bureaucracies and lack of delegation of authority.

A training strategy in operational activities could involve training for enhanced national development management within the framework of national execution and national capacity-building and workshops on the management of field coordination for senior United Nations representatives.

A scheme for the training of trainers was needed. While project-by-project funded training schemes should continue, there was a need to mobilize a separate fund to underwrite the start-up cost and the continuing organizing expenses of a global multi-agency trainers' programme.

#### GENERAL ASSEMBLY ACTION

On 22 December 1992, the General Assembly, on the recommendation of the Second (Economic and Financial) Committee, adopted **resolution 47/199** without vote.

#### **Triennial policy review of operational activities for development within the United Nations system**

The General Assembly,

Recalling its resolutions 44/211 of 22 December 1989 and 46/219 of 20 December 1991, and other relevant resolutions,

Concerned that the full and coordinated implementation of resolution 44/211 has not been achieved by the United Nations system,

Noting with concern that, while some progress has been made in implementing parts of its resolution 44/211, both by individual organs, organizations and bodies of the United Nations system and by coordination mechanisms of the system, many of the provisions of that resolution have still to be implemented,

Urging developed countries, in particular those countries whose overall performance is not commensurate with their capacity, taking into account established official development assistance targets, including targets established at the Second United Nations Conference on the Least Developed Countries, and current levels of contribution, to increase their official development assistance substantially, including contributions to the operational activities of the United Nations system,

Stressing that national plans and priorities constitute the only viable frame of reference for the national programming of operational activities for development within the United Nations system,

Stressing also that the fundamental characteristics of the operational activities of the United Nations system should be, *inter alia*, their universal, voluntary and grant nature, neutrality and multilateralism, and the ability to respond to the needs of the developing countries in a flexible manner, and that the operational activities of the United Nations system are carried out for the benefit of the developing countries, at the request of those countries and in accordance with their own policies and priorities for development,

Reaffirming that the operational activities for development within the United Nations system have a critical and unique role to play in enabling developing countries to take a lead role in the management of their own development process,

Stressing further that, in order to achieve the objective set out above, processes and procedures of the United Nations system should be streamlined and rationalized, especially in the interrelated areas of programming, execution, decentralization, monitoring and evaluation, thus making the United Nations system more relevant and responsive to the national plans, priorities and objectives of developing countries and more efficient in its delivery systems,

Emphasizing the importance it attaches to a more effective and coherent coordinated approach by the United Nations system to the needs of recipient countries, particularly at the field level,

1. Takes note of the report of the Secretary-General on the triennial comprehensive policy review of operational activities of the United Nations system;

2. Reaffirms its resolution 44/211 and stresses the need to implement all the elements of that resolution in a coherent manner, keeping in mind their interlinkages;

3. Stresses the need for a substantial increase in resources for operational activities for development on a predictable, continuous and assured basis, commensurate with the increasing needs of developing countries;

4. Reaffirms the need for priority allocation of scarce grant resources to programmes and projects in low-income countries, particularly the least developed countries;

5. Stresses the need for an overall improvement of the effectiveness and efficiency of the United Nations system in delivering its development assistance;

6. Also stresses that, in the context of the administrative reform of the Secretariat and the restructuring and revitalization of the intergovernmental process, the mandates of the separate sectoral and specialized entities, funds, programmes and specialized agencies should be respected and enhanced, taking into account their complementarities;

7. Emphasizes that the recipient Government has the primary responsibility for coordinating, on the basis of national strategies and priorities, all types of external assistance, including that provided by multilateral organizations, in order effectively to integrate the assistance into its development process;

8. Reaffirms that the multisectoral, sectoral and/or subsectoral strategies prepared by the recipient countries, on the basis of priorities identified by them, should provide a coherent and coordinated programme framework for all external assistance;

9. Stresses that, on the basis of the priorities and plans of recipient countries, and in order to ensure the effective integration of assistance provided by the United Nations system into the development process of countries, with enhanced accountability, and to facilitate the assessment and evaluation of the impact and sustainability of that assistance, a country strategy note should be formulated by interested recipient Governments, with the assistance of and in cooperation with the United Nations system, under the leadership of the resident coordinator, in all recipient countries where the Government so chooses, taking into account the following:

(a) The country strategy note should outline the contribution the operational activities for development within the United Nations system could make to respond to the requirements identified by recipient countries in their plans, strategies and priorities;

(b) The contribution of the United Nations system to the country strategy note should be formulated under the leadership of the resident coordinator, in order to promote greater coordination and cooperation at the field level;

(c) The country strategy note should be transmitted to the governing body of each funding organization as a reference for the consideration of its specific country programme;

(d) The specific activities of each funding organization of the United Nations system, within the broad framework of the country strategy note, should be outlined in a specific country programme prepared by the recipient Government with the assistance of the funding organizations;

10. Reaffirms that, within the context of the Joint Consultative Group on Policies, the funding organizations of the United Nations system, the United Nations Development Programme, the United Nations Children's Fund, the United Nations Population Fund, the World Food Programme and the International Fund for Agricultural Development and the funds administered by the United Nations Development Programme should harmonize their cycles and, where appropriate, adapt them to national budget cycles, plans and strategies;

11. Decides that assistance should be based on an agreed division of responsibility among the funding organizations, under the coordination of the Government, in order to integrate their response into the development needs of recipient countries;

12. Takes note of decision 92/23 of 26 May 1992 and of all other relevant decisions of the Governing Council of the United Nations Development Programme regarding the programme approach;

13. Requests the Secretary-General to promote an early agreement on a common interpretation of the programme approach, including an effective methodology for evaluation, to be applied by the United Nations system, with due regard to country-specific circumstances, and to report thereon to the Economic and Social Council at its substantive session of 1993;

14. Requests the Economic and Social Council to examine the report mentioned above at its substantive session of 1993 and to determine whether effective and coordinated actions are being taken on the matter by the United Nations system dealing with development;

15. Reiterates that national execution should be the norm for programmes and projects supported by the

United Nations system, taking into account the needs and capacities of recipient countries;

16. Also reiterates that it is the principal responsibility of recipient countries to determine their capacity to execute programmes and projects supported by the United Nations system;

17. Stresses the need for the United Nations system to strengthen its capacity to provide policy and technical support and advice at the request of recipient countries;

18. Also stresses the urgent need for the United Nations system to give increased priority to assisting recipient countries in building and/or enhancing the capacity necessary to undertake national execution, including the provision of support services, as required, at the field level;

19. Recognizes the important role of the specialized agencies of the United Nations system within their specific areas of competence and the need for a clear division of labour in facilitating and providing the necessary technical and substantive expertise for programmes and projects supported by the United Nations system;

20. Requests the Economic and Social Council, through the Commission on Science and Technology for Development at its session in 1993, to consider the report of the Secretary-General on the comprehensive policy review of operational activities of the United Nations system as a means to examine the contribution of the operational activities of the United Nations system to the enhancement of the national capacities of developing countries in the field of science and technology, and to make appropriate recommendations thereon;

21. Takes note of decision 92/22 of 26 May 1992 and of all other relevant decisions of the Governing Council of the United Nations Development Programme regarding the definition of programme/project execution and implementation concepts;

22. Requests the Secretary-General to promote an early agreement on a common interpretation of national execution to be applied by the United Nations system and to report thereon to the Economic and Social Council at its substantive session of 1993;

23. Requests the Economic and Social Council to examine the report mentioned above at its substantive session of 1993 and to determine whether effective and co-ordinated actions are being taken on the matter by the United Nations system dealing with development;

24. Decides that, in order to enhance coherence in programming and resource utilization, programme development and component approval, capacity and authority should be further decentralized to the field offices, which should be provided with the necessary technical and substantive expertise;

25. Strongly urges, in this context, that governing bodies of all funds, programmes and specialized agencies should ensure that the prescribed limits on field-level authority for cancelling, modifying and adding activities within approved programmes and for shifting resources within approved budget lines of individual components of a programme and among components of a programme, with the approval of national authorities, should be expanded to become equal and uniform, to the maximum extent possible, in the context of enhanced accountability;

26. Stresses that the United Nations system should use, to the fullest extent possible, available national expertise and indigenous technologies;

27. Also stresses that the procurement of expertise and equipment and the placing of fellowships should be decentralized to the country level to the maximum extent possible to avoid delays, reflect national needs and ensure cost-effectiveness, and stresses further that, in this context, the procurement of expertise and equipment should be decentralized, with due regard to the principles of international competitive bidding, while acknowledging the commitment to increase substantially procurement from developing countries and the need for effective accountability mechanisms;

28. Acknowledges the commitment to procurement from underutilized major donor countries, in accordance with the principles of international competitive bidding;

29. Stresses that common formats, rules and procedures are critical to meet the requirements of the shift to a programme approach, and that all formats, rules and procedures and periodicity of reports should be simplified and harmonized to promote national capacity-building, so as to assist the Government to integrate external assistance from different sources into its development process;

30. Decides that the financial and programme auditing capacity and accounting systems of recipient Governments should be strengthened, with assistance from the United Nations system, as requested by Governments;

31. Also decides that, within the context of the programme approach, formats designed for programme, programme component and project development, monitoring and evaluation should take into account inter-related and cross-sectoral linkages between individual strategies of recipient countries and between the individual components of a strategy;

32. Further decides that budgeting and related rules, procedures, processes and formats should be redefined to become, within the context of the sustainability of programmes supported by the United Nations system and their components and projects, oriented towards output, impact or performance rather than towards input or supply, and that, accordingly, evaluation and monitoring systems should be reoriented, while the use of evaluation and monitoring findings should be strengthened, thereby creating a feedback system;

33. Requests inter-agency coordination mechanisms, in particular the Joint Consultative Group on Policies, to give priority to simplifying, harmonizing and increasing the transparency of their procedures relating to programme component and project formulation, appraisal, implementation, monitoring and evaluation, taking into account the need to focus on the impact and sustainability of projects and programmes, and to reach agreement on a common United Nations system-wide manual for such procedures by 1 July 1994;

34. Also requests the members of inter-agency coordination mechanisms, in particular the Joint Consultative Group on Policies, to put in place as soon as possible, and no later than 1 January 1995, measures to enhance accountability at the field level, including effective harmonized programme monitoring, evaluation and management audit systems;

35. Stresses the need for funds and programmes to take into account the decisions of the General Assembly on auditing standards;

36. Also stresses that the strengthened resident coordinator function is necessary to assist the Government

in mobilizing technical expertise from both inside and outside the United Nations system and ensuring co-ordination at the country level through, *inter alia*, the country strategy note, in order to respond to national needs and priorities in the most cost-effective and efficient manner and to maximize the impact of the United Nations system on the development process;

37. Further stresses that, in order to achieve the objective set out above, particular attention should be paid in the selection of the resident coordinators to quality, relevant broad development experience, managerial and team-building skills, and the capacity to integrate individual components and strategies into the overall development process of the country, as well as to develop effective and coherent coordination by the United Nations system as a whole;

38. Emphasizes that an effectively functioning resident coordinator system will be dependent on a number of factors, including the following:

(a) The separate funds, programmes and specialized agencies must make a commitment to work together to integrate assistance provided by the United Nations system into the development process of the recipient countries in a fully coordinated manner;

(b) The United Nations system at the country level should be tailored, taking into account the views of the recipient Government, to the specific developmental needs of the country in such a way that they correspond to ongoing and projected cooperation programmes rather than to the institutional structure of the United Nations;

(c) The separate identities and, where appropriate, representation of funds and programmes at the country level should be ensured in the framework of a clear and improved division of labour, in accordance with their mandates;

(d) The resident coordinator should, if required, establish close cooperation with the funds, programmes and specialized agencies at the regional and subregional levels, in order to respond to specific requests by recipient Governments;

(e) In strengthening the resident coordinator system, the creation of an additional bureaucratic layer should be avoided;

39. Requests the Secretary-General, with due regard to General Assembly resolutions 34/213 of 19 December 1979 and 46/182 of 19 December 1991 and paragraph 38 above, to strengthen the resident coordinator system with the aim of:

(a) Improving the efficiency and effectiveness of the United Nations system at the field level, through a fully coordinated multidisciplinary approach to the needs of recipient countries under the leadership of the resident coordinator, bearing in mind the complementarity of the system and the need for a division of labour within the respective spheres of competence of individual specialized agencies, programmes and funds;

(b) Establishing, in consultation with recipient Governments, a clearer division of responsibilities for the resident coordinator and individual funds, programmes and specialized agencies;

(c) Ensuring that, in the context of the country strategy note, where in place, representatives of the members of the Joint Consultative Group on Policies at the field level and, in due course, of all funds, programmes and specialized agencies with field operations

inform, consult with and take account of any views of the resident coordinator in the context of major programming exercises before reporting to their headquarters on major programming and policy issues;

(d) Widening the pool of qualified development professionals eligible for appointment as United Nations Development Programme resident representatives/resident coordinators to include the members of the Joint Consultative Group on Policies, together with increased transparency in the selection process;

(e) Encouraging individual specialized agencies at the field level to participate fully in all aspects of the resident coordinator system;

(f) Defining the responsibility of the relevant inter-agency coordination mechanisms, in particular the Joint Consultative Group on Policies, in close consultation with the funds, programmes and specialized agencies of the United Nations system, for providing clear guidance to resident coordinators and for ensuring that they are provided with the necessary support both at the headquarters level and in the field;

(g) Enhancing the responsibility and authority of the resident coordinator for the planning and coordination of programmes as well as allowing him or her to propose, in full consultation with the Government, to the heads of the funds, programmes and specialized agencies, the amendment of country programmes and major projects and programmes, where required, to bring them into line with the country strategy note;

40. Calls upon resident coordinators to take the necessary steps, in those countries where the scale of the activities of the United Nations and the number of funds, programmes and specialized agencies so justify, to establish, in consultation with host Governments, an appropriate field-level committee, which will normally comprise all resident United Nations system representatives and which, under the leadership of the resident coordinator, will serve as a United Nations coordinating mechanism in the countries concerned;

41. Calls upon the coordinating mechanism mentioned above, in consultation with the host Government, to undertake advisory functions including, *inter alia*, the provision of guidance and advice on proposed programmes of funding organizations, the review of agency sector strategies and evaluations and the investigation of specific problems and issues requiring a coordinated response;

42. Welcomes the decision of the Joint Consultative Group on Policies to set a target for increasing the number of common premises, while emphasizing that this should be achieved in cooperation with host Governments in a way that increases efficiency through, *inter alia*, consolidation of administrative infrastructures of organizations concerned, without increasing the costs for the United Nations system or for developing countries;

43. Emphasizes the necessity of continuing to develop common innovative and integrated system-wide training programmes, at Headquarters and, especially, at the field level, while taking into account the use of regional cooperation arrangements, for government officials and other nationals, as well as for the staff of the United Nations system field offices, to facilitate the shift from the project to the programme approach and to promote effective and innovative execution modalities;

44. Also emphasizes that those training programmes should be joint and common, include on-the-job train-

ing, involve the establishment of a training capacity internal to each country, including a scheme for the training of national trainers, and be provided on a continuous basis as an integral function of the United Nations system field office structure;

45. Stresses that those training programmes should aim to develop capacities, especially in the areas of the programme approach, national execution, programme accountability and financial audit, support costs and evaluation and monitoring;

46. Urges the United Nations system to give appropriate attention to establishing and maintaining national institutional expertise, particularly in the areas mentioned in paragraph 45 above, through, inter alia, the increased participation in training programmes of national staff and members of relevant national institutions;

47. Reaffirms the importance of human development, including human resources development, and requests the United Nations system to strengthen the support given by its operational activities for development, at the request of recipient countries, to sectors vital to human development;

48. Recognizes that the United Nations system has a role to play in assisting countries that are undergoing deep economic and social reforms;

49. Requests the Secretary-General to ensure that the operational activities for development within the United Nations system carried out in new recipient countries are undertaken, from the outset, on the basis of an integrated, unified, cost-effective and innovative approach to development cooperation and presence in the countries concerned and to ensure effective support to them, while ensuring that such support is not to the detriment of existing programmes for developing countries;

50. Stresses the need for the Economic and Social Council to examine the operational activities of the United Nations system with a view to ensuring implementation of the present resolution and making recommendations thereon;

51. Calls upon the governing bodies of the funds, programmes and specialized agencies of the United Nations system to take appropriate action for the full implementation of the present resolution, and requests the executive heads of those funds, programmes and specialized agencies to submit a yearly progress report to their governing bodies on measures taken and to be taken for its implementation;

52. Requests the Secretary-General to ensure that the provisions of the present resolution are fully implemented by all the organs, organizations and bodies of the United Nations system;

53. Also requests the Secretary-General, after consultations with the funds, programmes and specialized agencies of the United Nations system, to present to the Economic and Social Council at its substantive session of 1993 an appropriate management process containing clear guidelines, targets, benchmarks and timeframes for the full implementation of the present resolution;

54. Further requests the Secretary-General to submit to the Economic and Social Council at its substantive sessions of 1993 and 1994 a progress report on the implementation of the present resolution, incorporating, inter alia, the reports mentioned in paragraph 51 above

to be prepared by the funds, programmes and specialized agencies of the United Nations system;

55. Requests the Secretary-General to submit to the General Assembly at its fiftieth session, through the Economic and Social Council, in the context of the triennial policy review, a comprehensive analysis of the implementation of the present resolution and to make appropriate recommendations.

General Assembly resolution 47/199

22 December 1992 Meeting: 93 Adopted without vote

Approved by Second Committee (A/47/723) without vote, 16 December (meeting 51); draft by Vice-Chairman (A/C.2/47/L.92), based on informal consultations on drafts (A/C.2/47/L.21 & L.22), as orally corrected and revised; agenda item 83.

Meeting numbers: GA 47th session: 2nd Committee 21-24, 36, 38, 48, 51; plenary 93.

## Financing of operational activities

### Expenditures

In an addendum to his report on the triennial comprehensive policy review of operational activities<sup>(6)</sup> the Secretary-General provided detailed statistical data for 1991 on resources channelled through United Nations organizations. During 1991, expenditures by the United Nations system on operational activities totalled \$8.4 billion. Of that amount, \$4.3 billion was distributed in grants and \$4.1 billion was disbursed in concessional loans by the International Development Association (IDA) (\$4 billion) and IFAD (\$115 million). Non-concessional loans, disbursed through the World Bank and the International Finance Corporation (IFC), had a negative balance of \$4 billion in 1991. Grants to finance refugee, humanitarian, special economic and disaster relief activities amounted to \$1.4 billion.

Of the total expenditures on grant-financed development activities, WFP accounted for approximately 31.2 per cent in 1991; UNDP and UNDP-administered funds, 28.9 per cent; specialized agencies, 15.5 per cent; UNICEF, 13.8 per cent; regular budgets, 6.7 per cent; and UNFPA, 4 per cent.

Regionally, approximately 47.6 per cent of the expenditures went to Africa; 39.4 per cent to Asia and the Pacific; 8.2 per cent to the Americas; 4 per cent to Western Asia; and 0.7 per cent to Europe.

Expenditures by sector were as follows: health, 24 per cent; humanitarian aid and relief, 23 per cent; agriculture, forestry and fisheries, 16 per cent; general development issues, policy and planning, 8 per cent; industry, 5 per cent; natural resources, population, and transport and communications, 4 per cent each; education, 3 per cent; employment, international trade and development finance, science and technology, and social conditions and equity, 2 per cent each; and culture and human settlements, 1 per cent each.

### Contributions

Contributions from Governments and other sources for operational activities of the United Nations system, including IFAD and the World Bank group (World Bank, IDA and IFC), totalled \$10 billion in 1991.<sup>(6)</sup>

In addition, contributions for refugees, humanitarian, special economic and disaster relief activities totalled \$1.9 billion and for the Environment Fund of the United Nations Environment Programme (UNEP), \$61 million.

### UN Pledging Conference for Development Activities

The 1992 United Nations Pledging Conference for Development Activities was held in New York on 3 and 4 November to receive government pledges for 1993 to United Nations funds and programmes concerned with development and related assistance.

In a September note<sup>(7)</sup> to the General Assembly, the Secretary-General listed contributions pledged or paid as at 30 June 1992 to 22 United Nations funds and programmes at the 1991 pledging conference, totalling approximately \$1,557 million, with \$832 million designated for UNDP.

### REFERENCES

- <sup>(1)</sup>YUN 1991, p. 366, GA dec. 46/465, 20 Dec. 1991.  
<sup>(2)</sup>E/1992/64, <sup>(3)</sup>A/47/419 & Add.1-3. <sup>(4)</sup>GA res. 44/211, 22 Dec. 1989. <sup>(5)</sup>YUN 1970, p. 319, GA res. 2626(XXV), 24 Oct. 1970. <sup>(6)</sup>A/47/419/Add.2. <sup>(7)</sup>A/CONF.158/2.

### Technical cooperation through UNDP

In his annual report for 1992,<sup>(1)</sup> the UNDP Administrator noted that there was an emerging international consensus that development was aimed at improving the human condition rather than achieving growth per se, and that while economic growth was a necessary condition of human development, it could not take place at the cost of future generations.

Shifts in the development paradigm made for complex relationships between development and humanitarian assistance and for considerable institutional uncertainty, the Administrator said. UNDP was re-examining its mandate, focus, tools and modalities and was collaborating with its partners in the United Nations system in an attempt to make the system more effective. The mandate and functions of UNDP seemed certain to remain valid as a need would remain for a multisectoral, country-based organization supporting national, regional and global efforts for sustainable development with sufficient funding resources to ensure its coordination role as well as its credibility with recipient countries.

In 1992, estimated UNDP income was some \$1,620 million, an increase from \$1,222 million in 1991. Of the 1992 total, \$1,178 million came from voluntary pledges, compared to \$949 million in 1991. Other major sources included cost-sharing contributions by recipient Governments (\$294 million), trust funds established by the Administrator, excluding the Global Environment Facility (GEF) (\$51 million), GEF trust fund (\$64 million), contributions to local office costs (\$17 million) and government cash counterpart contributions (\$11 million).

UNDP also administered eight funds which provided an additional \$76.4 million during 1992, bringing total income to \$1,696 million. The funds were the United Nations Capital Development Fund (UNCDF), the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), the United Nations Sudano-Sahelian Office (UNSO), the United Nations Volunteers (UNV), the United Nations Fund for Science and Technology for Development (UNFSTD), the United Nations Development Fund for Women (UNIFEM), the UNDP Energy Account and the UNDP Study Programme.

At the November 1992 Pledging Conference, Austria and the United States announced increases in their contributions of 10 per cent and 16 per cent, respectively, surpassing the UNDP Governing Council target of 8 per cent per annum. Luxembourg increased its contribution by 25 per cent. Other major donors that made pledges were Belgium, Canada, Denmark, Finland, France, Germany, the Netherlands, Norway, Spain, Sweden and the United Kingdom. Denmark and the Netherlands pledged contributions at levels higher than their 1992 contributions.

Of the recipient countries that made pledges, Benin, Bhutan, Botswana, Djibouti, Fiji, Guinea, India, Kenya, Lesotho, the Maldives, Mauritius, Mongolia, Nigeria, Panama, Romania, Thailand, the United Republic of Tanzania and Viet Nam surpassed the Council's growth target. Nine recipient countries pledged \$1 million or more each: China, Cuba, India, Indonesia, Mexico, the Republic of Korea, Saudi Arabia, Sri Lanka and Thailand.

Field programme expenditures, including indicative planning figures (IPFs), Special Programme Resources (SPR), the Special Measures Fund for the Least Developed Countries, cost-sharing and government cash counterpart contributions were reported at \$1,027 million in 1992. Of total field programme expenditures, 52 per cent went for project personnel, which included internationally and nationally recruited personnel and UNV specialists, 18 per cent for subcontracts, 15 per cent for project equipment, 11 per cent for training and 4 per cent for miscellaneous expenses such as maintenance and operational costs.



Regionally, Africa absorbed 33.4 per cent of field programme expenditures in 1992; Asia and the Pacific, 28.5 per cent; Latin America and the Caribbean, 22.9 per cent; the Arab States, 7.6 per cent; Europe and the Commonwealth of Independent States, 1 per cent; and global and interregional projects, 6.6 per cent.

Project approvals during 1992 totalled 972, a decline from 1,129 the previous year. The value of new project approvals was about \$642 million, compared to \$690 million in 1991.

### UNDP Governing Council

In 1992, the UNDP Governing Council held both its organizational meeting and a special session to discuss pending issues from 10 to 14 February 1992 in New York; it held its thirty-ninth session from 4 to 26 May at Geneva.<sup>(2)</sup>

At the organizational meeting, the Council adopted decisions on its schedule of meetings in 1992 and other organizational matters,<sup>(3)</sup> rationalization of its work<sup>(4)</sup> and its venue.<sup>(5)</sup> At the special session, it adopted eight decisions. Those not dealt with in this chapter were on assistance to Djibouti, Ethiopia, Kenya, Somalia, the Sudan and Yemen; the UNDP Gulf Task Force; and special assistance to Samoa (see next chapter).

During its thirty-ninth session, the Council adopted 36 decisions. Those not dealt with in this chapter were on the human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS), environment and development, the private sector in development, the International Year for the World's Indigenous People, a New Agenda for the Development of Africa in the 1990s, humanitarian programmes, assistance to the Palestinian people; UNFPA, and UNFPA financial, budgetary and administrative matters.

On 4 May,<sup>(6)</sup> the Council approved the agenda and organization of work for its thirty-ninth session. On 26 May,<sup>(7)</sup> it decided to review the venue of its sessions at its fortieth (1993) session and asked the UNDP Administrator to provide further information on attendance and the cost of holding sessions for both Geneva and New York. The Advisory Committee on Administrative and Budgetary Questions (ACABQ) was asked to report to the Council on the matter in 1993. Also on 26 May, the Council took note of a number of reports and documents;<sup>(8)</sup> adopted a provisional agenda for its fortieth session;<sup>(9)</sup> and agreed to the schedule of its future sessions and those of its subsidiary bodies.<sup>(10)</sup>

By **decision 1992/301** of 31 July, the Economic and Social Council took note of an extract from the Governing Council's report on its 1992 meetings.<sup>(11)</sup>

**Standing Committee for Programme Matters.** The Standing Committee for Programme Matters

held an in-session meeting during the special session of the Governing Council (10-14 February).<sup>(12)</sup> The Committee recommended that the Council adopt draft decisions on SPR and on country, intercountry and global programmes.

On 26 May,<sup>(8)</sup> the Council took note of the report of the Standing Committee on its 1992 in-session meeting.

The Standing Committee also held an in-session meeting during the thirty-ninth session of the Council (4-26 May),<sup>(13)</sup> covering field visits, the social dimensions of adjustment, country and intercountry programmes and projects, UNFPA, evaluation and its future programme of work. The Committee recommended that the Council adopt draft decisions on country, intercountry and global programmes, country programming and mid-term reviews, programme approach, evaluation, assistance to Myanmar and the UNDP programme in the former Yugoslavia.

### UNDP operational activities

#### Country and intercountry programmes

On 14 February,<sup>(14)</sup> the UNDP Governing Council approved country programmes for nine countries: Chad, Colombia, Democratic People's Republic of Korea, Ecuador, Maldives, Peru, Senegal, Sri Lanka and Viet Nam. It also approved the country programme for Zambia on condition that an advance mid-term review would be held in 1993. It took note of the extension by one year of country programmes for Anguilla, Burundi, the Congo, Ghana, Pakistan and Rwanda.

On 26 May,<sup>(15)</sup> the Council approved country programmes for 57 countries: 13 in Africa, 6 in Arab States, 3 in Europe, 12 in Asia and the Pacific and 23 in Latin America and the Caribbean. It also approved a five-year programme for Malawi, subject to a policy review after one year of the social and political environment. It took note of the extensions of 44 country programmes: 16 for Africa, 3 for Asia and the Pacific, 8 for the Arab States, 4 for Europe and 13 for Latin America and the Caribbean, and approved the extensions of the country programmes for Gabon, Iran and Turkey for a period of two years. It also took note of intercountry programmes in Africa, Asia and the Pacific, Europe, and Latin American and the Caribbean, and of the extension of the regional programme for Arab States. It authorized the UNDP Administrator to approve projects on a project-by-project basis for Afghanistan, Cambodia, Haiti, Kuwait, Lebanon, Liberia, Myanmar and the former Yugoslavia, as he had requested.

The Council further approved the global and interregional programmes for the fifth programming cycle (1992-1996). The global programmes

included health and food research, food and natural resources research and health research. The interregional programmes covered social development and poverty alleviation, environment and natural resources and public-sector management. The Council approved eight global projects in health and environmentally sustainable food production totalling \$62.7 million.

With regard to the country programme for Myanmar, the Administrator, in an April note,<sup>(16)</sup> sought the Council's authorization to approve assistance on a project-by-project basis (see above). On 26 May,<sup>(17)</sup> the Council asked the Administrator to review with Myanmar reallocations of fourth programming cycle (1987-1991) IPF resources and to approve personally higher priority projects likely to have greater impact at the grass-roots level. He was also asked to conduct a review of the fifth country programme for Myanmar, including an evaluation of the impact of all projects implemented under it, and to present a report to the Council in 1993 together with recommendations on programming for Myanmar under the fifth programming cycle. The Council deferred further action on Myanmar's sixth country programme until it had considered and accepted the review and recommendations requested.

As to the former Yugoslavia, the Council, also on 26 May,<sup>(18)</sup> noted the Administrator's proposal to draw on the small balance of fourth-cycle programme resources carried forward solely for the preparation of urgent humanitarian projects on a case-by-case basis and authorized him to proceed.

**Mid-term reviews.** On 26 May,<sup>(19)</sup> the Governing Council, reaffirming the need for the Administrator to carry out mid-term reviews of all country, regional, interregional and global programmes, welcomed the new format of country programme documents presented for its consideration. It asked the Administrator to include in mid-term review documents an analysis of levels of national execution; UNDP assistance in national capacity-building at the policy and programme formulation, management and evaluation levels; experience with the new support costs arrangements; and experience with the programme approach, including the use of alternative programme support mechanisms. He was asked to include in future country programme documents more consistent information on lessons learned from previous programming cycles and mid-term reviews and more comprehensive performance indicators. He was also asked to continue to increase the focus of country programmes on a smaller number of concentration areas according to recipient country needs.

The Administrator was invited to submit to the Council's 1993 special session a tentative timetable for mid-term reviews to be carried out in 1993-

1995, together with proposals on how he would report the outcomes of those reviews. He was asked to report to the Council's regular 1993 session on progress achieved in harmonizing programme cycles and programming procedures among members of the Joint Consultative Group on Policy (JCGP) and to increase his efforts to stagger the scheduling of country programmes throughout the programming cycle.

#### Country programmes by region

##### Africa

The management plan of the UNDP Regional Bureau for Africa for 1992 was aligned with the major objectives of the United Nations New Agenda for the Development of Africa in the 1990s (see next chapter), adopted by the General Assembly in 1991.<sup>(20)</sup> Under the National Long-Term Perspective Studies Programme, which aimed to create a national process for establishing long-term development strategies and priorities, plans were launched in 9 countries and a further 20 countries submitted requests for studies. The African Capacity-Building Foundation, a joint initiative of UNDP, the World Bank and the African Development Bank, sought to strengthen regional and national capacities to formulate and manage national economic policies and programmes and to support the internalization of long-term development planning.

During the year UNDP supported democratization and electoral processes in 22 African countries with advisory services, resource mobilization, logistical support and follow-up (observers), and development of social funds or social safety nets. Electoral support in Ethiopia, Mali and Namibia was successful, while in Angola, where UNDP coordinated some \$5 million in cost-sharing support for the election, the results were not accepted by all parties and fighting resumed. In Ethiopia, UNDP assisted in demobilizing troops and reintegrating them into the private sector; an estimated 350,000 ex-servicemen benefited from donor contributions, including \$7.87 million from UNDP.

UNDP provided emergency assistance to drought-affected countries in southern Africa and to 40,000 persons who were displaced by the political upheaval and resumed fighting in Liberia. In Mozambique, technical support was provided to national and provincial emergency commissions, and a large multi-donor programme to reintegrate displaced persons and returning refugees was supported.

Under GEF, seven UNDP-sponsored projects, amounting to \$18 million, were approved. A range of innovative projects were being implemented, including a project in Mauritania to establish infrastructure to deliver wind-based rural electric

power. In a semi-arid zone of Burkina Faso, a pilot project to demonstrate how biodiversity could be conserved within wildlife ranching systems was designed in collaboration with village associations and local and international non-governmental organizations (NGOs).

UNDP assisted Governments to formulate economic management and capacity-building programmes, four of which were inaugurated, in Burkina Faso, Cote d'Ivoire, the Gambia and Zambia. Furthest advanced was the programme to develop national economic management capacity in the Gambia.

With respect to HIV/AIDS, UNDP played an advocacy role through the country programmes, including the sensitization of African policy makers and community organizations to the implications—human, social and developmental—of the pandemic. Some 30 projects, ranging from support for multisectoral national programmes to survivor assistance, were developed.

#### Asia and the Pacific

Use of the programme approach gained momentum in Asia and the Pacific. UNDP assisted national authorities to develop national programme frameworks, a prelude to programme formulation. In China, eight programmes in agriculture, forestry, industry and natural resources development were approved. In India, jute and leather programmes became operational. In Thailand, a subprogramme on human resources development focused on increasing the relevance of and access to education.

UNDP assistance was increasingly sought to translate the principles of human development into national development strategies. For example, following a one-year UNDP-assisted study, Bangladesh published a human development report and undertook to integrate its concerns into a five-year plan. In Pakistan, a human development initiative led to a report that was distributed to government officials, the private sector, NGOs and foreign missions and influenced a \$700,000 human development project. In the Philippines, UNDP helped to organize a network of human development advocates among academicians, practitioners and professionals in both the public and private sectors to promote the concept and prepare a national human development report.

In the area of aid coordination, round-table meetings were organized for Bhutan and the Lao People's Democratic Republic. The shortfall in resources for Bhutan's sixth five-year plan was estimated at \$370 million, and donors expressed willingness to support that country's development schemes. Priority projects in the Lao People's Democratic Republic were estimated to cost \$745

million, against which donors pledged some \$600 million in concessional loans and grants.

In north-eastern Asia, the Tumen River Area Development Programme was a comprehensive approach by China, the Democratic People's Republic of Korea, Mongolia, the Republic of Korea and the Russian Federation to develop resources in their border areas. UNDP provided assistance not only in articulating common interests and objectives, but in facilitating contacts with and coordinating the inputs of donors and investors.

UNDP co-chaired a Ministerial Conference on the Rehabilitation and Reconstruction of Cambodia (Tokyo, June), which resulted in donor pledges of \$880 million and which constituted the International Committee on Reconstruction of Cambodia, with UNDP as its secretariat.

In Afghanistan, UNDP initiated a rehabilitation strategy exercise to identify immediate and medium-term needs and draw up a rehabilitation and reconstruction programme.

JCGP introduced coordination mechanisms and undertook joint actions in many countries of the region. In China, UNDP organized a United Nations Inter-Agency Working Group on Poverty Issues with 11 agencies participating. In the Democratic People's Republic of Korea, a rural health plan was formulated by JCGP and WHO. In Indonesia, United Nations specialized agencies formed an Inter-Agency Coordination Committee.

Through a regional project, 14 country-level and a number of intercountry workshops and seminars were initiated on HIV/AIDS. The regional project also co-sponsored the Second International Congress on AIDS in Asia and the Pacific (New Delhi, India, November).

IPF resources for the fifth cycle for the region (1992-1996) amounted to \$1.5 billion; cost-sharing contributions by recipient countries and third parties were expected to provide another \$200 million. Some 200 new projects and programmes were approved, with the total IPF and cost-sharing funds committed amounting to about \$140 million. Total programme expenditure for the region in 1992 was estimated at \$260 million.

More than 105 nationally executed projects valued at \$84 million were approved. China and India were the leading countries in national execution: in China, 52 per cent of the projects approved were nationally executed; in India, 33 per cent. Training of government staff in the operational and financial management of projects continued.

UNDP emphasized sustainable development and environmental issues in its country and intercountry programmes. A regional sustainable development project was initiated with an IPF commitment of \$837,000. Work also commenced

on nine national and two subregional Sustainable Development Networks (SDNs) to facilitate information exchange in support of environmentally sound national development activities. SDNs became operational in Pakistan, the Philippines and the South Pacific. The regional GEF portfolio, managed by UNDP, helped to meet obligations under the conventions on climate change and biodiversity (see PART THREE, Chapter VIII), and included a large-scale (\$9.5 million) project on developing a least-cost greenhouse gas emission plan in Asia. Projects on ozone-layer depletion worth \$2.9 million were programmed and implemented in five countries.

#### Arab States

In 1992, many Arab countries moved to rehabilitate their economies after the Gulf war of 1991, to accelerate a trend towards civil reform and more open market economies, and to introduce greater pluralism in their societies.

In Egypt and Lebanon, UNDP coordinated with the Governments and the World Bank to assess technical cooperation requirements. In Algeria, UNDP assisted the Government to review its investment policy and identify areas where legal restrictions could be reduced. In Tunisia, UNDP helped to design an anti-poverty strategy for about 100,000 families, and, with the World Bank, assisted the Government to restructure the industrial sector for privatization. UNDP assistance in Egypt focused on building its capacity for national economic reform and structural adjustment, and in Jordan was aimed at development planning and data and policy analysis.

Emergency assistance was provided to Somalia and the Sudan. In Somalia, which faced a combination of collapse of civil society, political and military disorder and extreme famine, UNDP established itself at Mogadishu and Hargeisa and provided staffing and logistical support to the Special Representative of the Secretary-General. Other UNDP activities included managing and providing air transport for the United Nations and NGOs; rehabilitating the water-supply system in Mogadishu; financing missions to identify the needs of the displaced in the agricultural sector; and participating in civil aviation and de-mining projects.

In the Sudan, the Resident Representative served as Special Representative of the Secretary-General for relief operations. He was supported by an emergency coordination unit funded and managed by UNDP.

While development programmes remained suspended in Iraq, a number of activities were approved and implemented with the concurrence of the Security Council's Sanctions Committee (see PART TWO, Chapter III). Under a regional proj-

ect for the eradication of rinderpest, \$400,000 was allocated for vaccination campaigns in the northern part of the country; assistance was provided to a rehabilitation project for the handicapped; and logistical and administrative support was given to United Nations humanitarian activities.

In Kuwait, UNDP assisted in planning and civil service reform, with emphasis on greater use of Kuwaiti indigenous skills and the private sector. In Saudi Arabia, UNDP helped to train 2,700 Saudis in the civil aviation sector and assisted in establishing two telecommunications institutes. In Qatar, UNDP assisted in a study of how to replenish the aquifer. In the United Arab Emirates, it helped to establish a Central Forecasting Office for Meteorological Services.

Resident representatives in the region agreed to decentralize programme activities and to strengthen field offices; to draw up subregional strategies for clusters of countries; to emphasize resource mobilization and coordination efforts; and to increase the promotion of networking and regional linkages.

#### Europe and the Commonwealth of Independent States

Six field offices were in operation in Europe and the Russian Federation by the end of 1992. Four were headed by a United Nations Representative, who was also the UNDP Resident Representative, and the other two by field staff from a United Nations Information Centre, supported by a Deputy United Nations Representative, who was also the UNDP Resident Representative.

Institutions implementing national privatization strategies benefited from expert advice provided through a UNDP regional privatization network. In Romania, UNDP assisted the Government to build up the capacity for privatization through a UNDP-funded centre to counsel small-scale entrepreneurs during the start-up phase of their businesses.

A regional programme based on providing turn-around teams of corporate leaders from countries outside the region was prepared. The teams would be on call for visits over a two-year period to resolve senior management problems.

Albania requested a UNDP team to assist with electoral procedures and to organize the participation of other international organizations and international observers. UNDP cooperated with the European Community (EC) in preparing studies for a meeting between EC and Albania to determine support for restructuring the Albanian economy. EC channelled \$1 million in humanitarian assistance to Albania through UNDP.

There was also close cooperation with EC on the environment, particularly with regard to activities in the Danube River basin and the Black Sea area. Two projects funded by GEF were developed by

UNDP: environmental management of the Danube basin to enhance institutional capabilities in riparian countries of the Danube, and environmental protection of the Black Sea to enable riparian countries of the Black Sea and the Sea of Azov to develop a comprehensive management strategy.

#### Latin America and the Caribbean

In Latin America and the Caribbean, UNDP began to participate with other institutions such as the Inter-American Development Bank (IDB) in promoting democracy. The advancement of governance was being achieved through public-sector reform and decentralization efforts as well as by fostering private-sector support of human development. Efforts to reduce poverty were basic to governance and social peace, and numerous programmes were addressed to the plight of the poor. Social emergency funds in Bolivia and Central America, established under agreements with the World Bank and IDB, continued to operate. Chile put in place a UNDP-supported development facility in each of its 12 regions, which had an important poverty-alleviation component. A UNDP initiative in Peru helped to establish a fund to provide financial support to communities for employment generation and basic infrastructure.

The importance of external resource flows was increasingly recognized and a new slant was given to the national technical cooperation assessment and programmes (NATCAPs) exercise when Guatemala decided to use UNDP aid coordination to promote a national peace plan. UNDP cooperation was sought by several countries to improve their competitiveness in international markets. Brazil implemented a \$28 million cost-shared project for the coordination of research and the promotion of informatics exports. Chile implemented a cost-shared project to integrate the research capacity in Government, the private sector and universities.

In the environmental sector, two new GEF projects were approved and a third IPF project for Brazil was revised, producing additional IPF and cost-sharing funds for strengthening the capacity of Governments for environmental management. One GEF project supported the Peruvian Centre for Energy Conservation, and the other would demonstrate the commercial feasibility of using biomass as a feedstock for power generation in Brazil through applying biomass-integrated gasification/gas-turbine technology.

#### Global and interregional programmes

The UNDP global programme supported high-level research on food production and health, and the interregional programme promoted sharing of knowledge on such questions as management, debt, trade, energy, water and sanitation, HIV and development, and electoral administration.

The United Nations received 31 requests for electoral assistance, two thirds of which were for first-time elections in Africa, between October 1991 and September 1992. UNDP prepared the publication *Guidelines on Special Arrangements for Electoral Assistance*. In addition, it established an electoral assistance trust fund, advanced the funding for seven urgent needs-assessment missions, co-funded the first conference on the coordination of international assistance in the electoral field and funded a training course for United Nations officials.

UNDP and the International Monetary Fund Institute initiated a programme to train middle-level managers in the basic skills to deal with the transition from centrally planned to market economies. The programme attracted support from Japan, Portugal and EC. The Division for Global and Interregional Programmes was instrumental in launching a new programme to strengthen the capacity of developing countries to manage their external assets and liabilities. The programme had a number of innovative features, including the fact that for the first time two major providers of technical cooperation—the United Nations Conference on Trade and Development (UNCTAD) and the World Bank—agreed to pool their assistance. In addition, the programme nurtured initiatives at the subregional level, including an effort by anglophone countries of East and southern Africa to create their own pool of advisory services which would be attached to the Reserve Bank of Zimbabwe. Other subregional initiatives were being formulated for Central America, Eastern Europe and the Commonwealth of Independent States.

At the beginning of 1992, UNDP established an HIV and Development Programme to increase global awareness of the threat that the pandemic posed to development. The programme involved communities, academic institutions, NGOs, Governments and the United Nations system. In cooperation with the library of Columbia University School of Public Health (New York), the programme initiated the HIVDEV database. A memorandum of understanding for implementing the WHO/UNDP Alliance to Combat AIDS was agreed upon, with a pledge to develop multisectoral approaches.

A UNDP/World Bank programme established a new strategy with regard to water and sanitation to build support for sustainable investments and disseminate lessons learned. For example, in Kumasi, Ghana's second-largest city, people were asked how much, if anything, they would pay for sanitation facilities. A new sanitation plan, based on demand-driven, privately provided services, was developed. The approach was to be tested in other countries of the developing world.

Other areas addressed in the UNDP global and interregional programmes included the environ-

ment, privatization, urban management, education and assistance to the Palestinian people.

### **Programme planning and management**

Since the General Assembly adopted a resolution in 1989 on operational activities,<sup>(21)</sup> there had been considerable discussion of the terms "programme approach" and "programme-oriented mechanism". However, no clear definitions of those terms were available. UNDP had attempted to arrive at an understanding of them, and in March 1992,<sup>(22)</sup> the UNDP Administrator submitted a report to the Governing Council stressing that the programme referred to was a national programme, not a UNDP programme or that of any other outside partner. The approach was the way in which national authorities attempted to achieve a national objective, not through discrete or ad hoc projects, but through a carefully thought-out, articulated programme. The programme contained all the elements needed to reach and sustain the national objective. External cooperation supported national programmes. Within the programme approach, the advantages of UNDP, stemming from the political and sectoral neutrality and universality of its mandate, appeared to lie in areas such as policy and programme formulation and management.

The programme support mechanism in principle ensured that externally provided resources were available where they were most needed, rather than being confined to a particular component of a programme.

Guidelines would be issued in due course for cooperation in formulating and managing national programmes; for the programme support mechanism; for a revised project document format; and for revised monitoring and evaluation procedures. The Administrator suggested a number of ways in which a country could start to follow the programme approach in the areas of identifying national objectives, formulating a national programme and implementing and managing it.

On 26 May,<sup>(23)</sup> the Governing Council stressed that the programme approach should be applied on a country-specific basis and that UNDP should ensure the smooth implementation of country programmes. It encouraged UNDP to continue formulating principles for the programme approach. It further stressed the need to develop baseline data and success indicators for monitoring and evaluating UNDP-assisted projects/programmes and the need to involve United Nations specialized agencies at the early stages of the design of programme assistance. The Administrator was asked to hold consultations on the draft guiding principles and to submit a progress report in 1993.

### **National execution**

The Administrator, in response to a 1991 request of the Governing Council,<sup>(24)</sup> in April 1992 submitted a report on national execution<sup>(25)</sup> containing guidelines on assisting Governments to formulate and implement national capacity-building strategies, on the respective roles of UNDP, agencies and Governments in national execution and implementation and on use for national execution of the technical support resources agreed upon by the Council in 1991.<sup>(26)</sup>

The overall UNDP strategy for capacity-building would provide a unifying framework for UNDP mechanisms such as the round-table process, the Management Development Programme (MDP) and NATCAPs. UNDP recognized the need for developing countries to develop their own long-term perspectives. In addition, it recognized a distinction between institution-building and capacity-building. Capacity-building need not be confined to one institution but may refer to the strengthening of national capacities across sectors such as policy formulation, scientific research, information technology and financial management.

The strategic entry points at which UNDP would interface with national systems would increasingly be the following: dialogue on overall goals and policies, sectoral strategies and programmes; assistance to Governments to strengthen their ability to define and prepare national programmes; and integration of global priorities and initiatives. The role and responsibilities of Government, United Nations specialized agencies, UNDP, UNDP field offices and the Office for Project Services (OPS) in the capacity-building process were also discussed. Guidelines specifying the roles of the various partners in the national execution process would be updated after a period of testing in the field and then incorporated into the UNDP Programmes and Projects Manual.

On 26 May,<sup>(27)</sup> the Governing Council noted the definitions in the Administrator's report and clarified the following: execution was defined as the overall management, by national government authorities or by a United Nations agency, of the programme/project, along with responsibility for outputs, achievement of objectives and use of resources; implementation was defined as the procurement and delivery of programme/project inputs and their conversion into outputs; administrative and operational support services were defined as the procurement and delivery of UNDP-financed programme/project inputs and thus constituted only an aspect of implementation.

With regard to execution and implementation, the Council agreed that national government authorities responsible for programme/project execution needed to have the necessary national management staff, and that the cost of managing

nationally executed programmes/projects should be borne by the Government; UNDP assistance in the building of sustainable capacity for national execution could be financed from country IPF resources or SPR; UNDP field office staff might provide administrative assistance to executing agents as long as that did not interfere with their primary tasks; and the involvement of OPS in national execution should be limited to providing non-technical implementation services and to building up national managerial and administrative capacities.

The Council endorsed the Administrator's approval to delegate to resident representatives the authority for approving national execution and urged the Administrator to improve the financial accounting, reporting and auditing of nationally executed projects.

#### Programme evaluation

In March 1992,<sup>(28)</sup> the Administrator submitted to the Governing Council the ninth annual report on programme evaluation. The report covered the principal evaluation issues that had emerged during 1991 and reviewed the work of the Central Evaluation Office over the fourth programming cycle (1987-1991). The report also considered the evolving role of evaluation in UNDP during the last five years; discussed the feedback of evaluation results into UNDP's work; recorded what had been done to promote national monitoring and evaluation systems; gave an account of other evaluation work; and discussed collaboration with other institutions. It also presented a work plan for evaluation activities for 1992-1993.

On 26 May,<sup>(29)</sup> the Council welcomed the change in approach in evaluation activities towards more impact- and result-oriented assessments as well as towards increased strategy- and policy-oriented evaluation of UNDP activities during the fifth programming cycle (1992-1996). It urged the Administrator to strengthen the capacity of the Central Evaluation Office to undertake policy, strategy and programme evaluations in line with the findings and recommendations of a planning exercise and workload study and to backstop the evaluation capacity of the Regional Bureaux, keeping in mind the necessity to involve the recipient Governments in evaluation activities. It requested the Administrator to expand measures to ensure genuine feedback and use of results attained through evaluations and assessments to the programming activities of UNDP and the Governments concerned.

#### Field visits

The Governing Council, in 1991, had provided for up to four field visits per year by members of its Standing Committee for Programme Matters.

Each mission was to cover not more than two countries; costs would be shared by UNDP (80 per cent) and UNFPA (20 per cent).

At its February in-session meeting,<sup>(12)</sup> the Standing Committee, on the basis of experience gained through the first three visits (January 1992) to a total of six countries (Botswana/United Republic of Tanzania, Indonesia/Sri Lanka and Egypt/Morocco), prepared standard terms of reference to facilitate future visits. The terms were used in preparing forthcoming field visits. The report on the visit to Bhutan/India (March) was considered at the Standing Committee's May in-session meeting.<sup>(13)</sup> Further visits to the Syrian Arab Republic/Yemen and Bolivia/Paraguay took place in August/September 1992.<sup>(30)</sup>

#### Fourth and fifth programming cycles

On 14 February,<sup>(31)</sup> the Governing Council took note of an oral presentation by the Administrator on the resource outlook for the fifth programming cycle (1992-1996). It requested him to prepare a detailed analysis of the resource outlook and its impact on IPFs, and decided to consider those questions at its thirty-ninth (1992) session.

In response to that request, the Administrator in April submitted a report on matters relating to the fourth (1987-1991) and fifth programming cycles.<sup>(32)</sup> The report examined the resource outlook for the fifth cycle and discussed new and revised IPFs for it. The Administrator noted that the fifth cycle unallocated account of \$100 million could not accommodate all the estimated additional requirements of \$117.5 million. The addition by the General Assembly in 1991<sup>(33)</sup> of five countries to the list of least developed countries (LDCs) and the emergence of new republics from the former USSR that would probably request recipient status was likely to have an impact on fifth cycle resources. However, since the additional resources needed over and above the \$100 million were likely to be small, the Administrator proposed postponing any adjustments to IPFs and SPR until the mid-term (1994) review had been carried out.

The report also provided information on the status of fourth cycle net contributor obligations.

On 26 May,<sup>(34)</sup> the Council decided that IPFs for future programming cycles should be established as of the first day of each cycle. It further decided that country IPF revisions and IPFs for new recipients should be allocated in proportion to the number of years remaining in each cycle. The Council authorized the Administrator to continue to issue allocations for the fifth cycle within the overall planning framework established by the Council in 1990,<sup>(35)</sup> and urged Governments to increase their contributions to UNDP in line with the planning assumptions contained in that frame-

work. The Administrator was asked to inform the Council in 1993 of the complete list of IPFs for the fifth cycle.

Also on 26 May,<sup>(36)</sup> the Council requested the Administrator, in the context of a 1991 Council decision,<sup>(37)</sup> on an exceptional one-time basis and where he decided it was warranted, to extend until 31 December 1992 the period for finalizing accounts for fourth cycle obligations and payments for the purpose of calculating fifth cycle entitlements.

#### New recipient countries

On 14 February,<sup>(38)</sup> the Governing Council welcomed the Republics of Belarus, Estonia, Latvia, Lithuania and Ukraine as recipient countries in UNDP. It approved the allocation of IPFs and asked the Administrator to inform it in 1993 of any revised basic data and its effect on the computation of IPFs. He was also authorized to proceed with programme development in the five countries, taking into account the need for impact sustainability, effective use of resources and other development activities being undertaken there. The Council requested the Administrator to submit a report to its 1993 regular session with proposals on ways to establish a United Nations presence in those countries, with particular regard to cost-effectiveness. In preparing the report, he was asked to consult with members of ACC and JCGP.

In response to that request, the Administrator in April submitted a report<sup>(39)</sup> in which he noted that, in addition to the five countries for which the Council had established IPFs in February, requests for recipient status had been received from a further seven countries of the former USSR. He had therefore broadened the parameters within which he was responding to the Council's February decision.

The Administrator recommended that the basic UNDP structure in the region should consist of one international senior staff member per country, with the minimum office logistical support required and access to a wide-area communications network. UNDP's role dictated a set-up that would meet the following characteristics: the host country would share in the cost of nationally recruited professionals in support of the international senior officer, with possible support from other sources; and, while heads of offices would primarily serve their country of accreditation, they might also advise other offices in the region in such areas as electoral processes, social and economic dimensions of transition, information management, support to entrepreneurship, aid flow management and the role of local government.

The Administrator gave a breakdown of estimated start-up and recurrent costs to UNDP

through December 1993 per country and, applying those costs to the five countries given recipient status in February, noted that the total cost over 18 months would be \$2.75 million. Assuming that the 10 remaining countries would acquire recipient status, the total net cost through 1993 for all 15 countries would be \$8.25 million. He therefore recommended that that amount be provided from the UNDP administrative budget and proposed to offset a large part of it with any income received through special contributions.

On 26 May,<sup>(40)</sup> the Council, welcoming Armenia, Azerbaijan, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation, Turkmenistan and Uzbekistan as recipient countries in UNDP, approved the allocation of IPFs and asked the Administrator to inform it in 1993 of any revised basic data and its effect on the computation of IPFs. It authorized the Administrator to proceed with programme development in the eight countries, taking into account other development activities being undertaken there.

Also on 26 May,<sup>(41)</sup> the Council noted the Administrator's intention to submit country programmes for the 13 new recipient countries in 1993. It asked him to work with those countries, other interested Governments and relevant bodies to ensure that UNDP's work in the region was focused on areas where it had a comparative advantage and to continue efforts to clarify the country-specific role and comparative advantages of UNSO in the countries concerned. He was also asked to work with the United Nations Secretariat and other United Nations bodies, particularly ACC and JCGP, to ensure an integrated United Nations system presence in those countries.

The Administrator was further asked to provide those countries with operational support during 1992-1993 and was authorized to open temporary and/or regional UNDP offices. In that regard, he was asked to give priority to countries with the lowest relative levels of per capita GNP and the highest levels of IPF and aggregate programme resources, and to follow an innovative and cost-effective approach when opening offices and/or providing operational support.

The Council approved, on an exceptional basis, the use during 1992-1993 of up to \$3 million from savings in the original appropriation for the 1992-1993 core budget to enable the Administrator to open the temporary offices, and urged him to negotiate cost-sharing arrangements with host countries with the aim of covering expenses incurred in local currency. The Administrator was encouraged to seek to complement the country IPFs through other programmable resources. The Council decided to review action taken by the Administrator at its 1993 special session.



### Financing

In his annual review of the financial situation,<sup>(42)</sup> the Administrator reported that total income in 1992 was \$1.5 billion, while expenditures totalled \$1.4 billion, with a resulting surplus of \$100 million. As a result of the surplus, the balance of UNDP general resources increased from \$152.9 million at 31 December 1991 to \$220.6 million at 31 December 1992. Income from voluntary contributions totalled \$1.2 billion. Miscellaneous income, mainly composed of income from UNDP placements of funds in short-term financial instruments and adjustments resulting from exchange rate changes, decreased from \$13.1 million in 1991 to \$0.5 million in 1992, reflecting lower interest rates on investments and substantial foreign exchange losses at a time of high foreign exchange rate volatility and the significant devaluation of a number of currencies of donor countries.

Cost-sharing contributions grew from \$218.8 million to almost \$300 million, and were expected to continue to increase. While that source of funding enabled a larger total programme expenditure in selected countries, it did not make up for shortfalls in voluntary contributions necessary for financing IPFs.

IPF expenditures declined from \$867 million in 1991 to \$727 million in 1992. Expenditures under the Special Measures Fund for LDCs decreased from \$13 million in 1991 to \$6.5 million in 1992. Expenditures under cost-sharing contributions increased from \$195.9 million in 1991 to \$225.2 million in 1992 and under SPR from \$43 million in 1991 to \$50.6 million in 1992.

The Administrator reiterated that it had become evident that the target for annual increases in contributions of 8 per cent was unlikely to be achieved. He had been obliged to assume an annual rate of growth in resources of 4 per cent; to instruct UNDP field offices to provide for a programme reserve of 10 per cent of IPFs in the country programmes; and to establish annual expenditure targets for 1992 and 1993 of \$780 million and \$760 million, respectively. There were also indications that contributions for 1993 would amount to only \$930 million, a reduction of 13.5 per cent from 1992.

On 26 May,<sup>(43)</sup> the Governing Council took note of the Administrator's annual review of the financial situation for 1991<sup>(44)</sup> and of the Council's decision<sup>(46)</sup> on the fourth and fifth programming cycles (see above). It noted with concern the impact of exchange rate fluctuations on the dollar value of contributions in 1991 and on the level of resources anticipated by the Administrator in 1992 and 1993 and that real growth in contributions had not reached the level projected by the Council in 1990.<sup>(45)</sup> It further noted the reduction in the Administrator's expenditure forecasts resulting from the level of anticipated resources.

The Council approved the format of the ex post facto report on support costs contained in the Administrator's 1991 review of the financial situation and asked him to submit such a report on a biennial basis, starting in 1994. It also approved changes to the financial regulations proposed in the same document and annexed them to its decision. It deferred consideration of a request for additional support cost reimbursement from the World Meteorological Organization, and urged member organizations of JCGP to pursue the possibility of using common premises.

### Budgets

#### Revised 1992-1993 budget

In March,<sup>(45)</sup> the Administrator submitted to the Governing Council revised budget estimates for 1992-1993. The revised estimates for UNDP core activities amounted to \$478 million gross and \$446 million net. In net terms, that represented a decrease of \$4 million (0.9 per cent) in relation to the original appropriation approved in 1991.<sup>(46)</sup> The revised estimates for UNDP core and non-core activities as a whole amounted to \$607 million gross and \$575 million net. With regard specifically to non-core activities, that represented in gross terms a reduction of \$0.4 million.

Cost adjustments relating to the core budget amounted to a total reduction of \$4.7 million. A currency release of \$6.3 million and a downward inflation adjustment of \$1.5 million were partially offset by cost adjustments amounting to \$3 million. The currency release related to the impact of the difference in exchange rates between February 1991, when the original 1992-1993 estimates were formulated, and February 1992, the basis for the revised estimates.

The downward adjustment in inflation rates reflected adjustments in United Nations projections for both Headquarters and the field. Cost adjustments related to the following staff cost categories: home leave (\$0.6 million); security (\$0.8 million); pension contributions (\$1.4 million); and medical insurance (\$0.7 million). That was partially offset by a reduction in the education grant of \$0.5 million.

ACABQ presented its observations on the revised budget estimates for 1992-1993 to the Council in an April report.<sup>(47)</sup>

On 26 May,<sup>(48)</sup> the Council approved the cost adjustments reflected in the revised 1992-1993 biennial budget estimates. It also approved the continuation of one core post (at the P-5 level) for the Humanitarian Programme until the end of the 1992-1993 biennium and decided to apply the same procedure to an existing D-2 post in that Programme. It decided, in that context, to review the staffing level of the Programme, stressing the need

for a clear division of responsibility between the United Nations Department for Humanitarian Affairs and the UNDP Humanitarian Programme.

#### 1994-1995 budget

In his March report on revised budget estimates for the 1992-1993 biennium,<sup>(45)</sup> the Administrator also presented his budget strategy for 1994-1995. His strategy was based on two goals: further administrative cost reduction and increased transparency regarding the nature of services rendered by UNDP field offices to non-UNDP-financed programmes and their costs.

On 26 May,<sup>(48)</sup> the Council welcomed the Administrator's 1994-1995 budget strategy, including a proposed volume reduction of \$30 million to \$40 million and, in order to give priority to the allocation of resources for programming and to protect fully the integrity of UNDP, urged the Administrator to achieve the maximum possible savings. In that regard, the Council requested the Administrator to take into account the need to ensure that regional service centres did not introduce a new bureaucratic layer or duplicate headquarters functions and the need to reduce significantly the ratio of General Service to Professional staff.

The Council requested the Administrator, in the context of the 1994-1995 budget strategy, to report to it in 1993. The report should include an analysis of the UNDP field structure, taking the following elements into consideration: the levels of IPFs and extrabudgetary resources, the impact of the composition of resources on the field structure and the impact of different options for decentralization of OPS. It requested the Administrator to make recommendations regarding the possibility of a more flexible and cost-effective approach to the UNDP field presence, including the option of closing field offices and making use of regional offices.

Further, the Council stressed the importance of common system-wide approaches on personnel entitlement issues and on job-classification issues and decided that proposals by the Administrator on reclassification should have no adverse financial implications and should not lead to grade creep. It approved his proposals on a pilot basis for one year, and decided to review the arrangement in 1993. It also endorsed the Administrator's proposals relating to increased transparency of the nature of the services rendered by UNDP field offices to non-UNDP-financed programmes and the associated costs, approved in principle his proposals relating to OPS and requested him to review the question of savings through mergers of the administrative and other functions of the trust funds. The Administrator was asked to report on those matters in 1993, taking into account also the

review of the senior management structure to be submitted in 1993 (see below).

#### Audit reports

The Governing Council considered the interim audit report of the Board of Auditors on UNDP for the first year of the biennium 1990-1991<sup>(46)</sup> as well as the comments of ACABQ thereon.<sup>(50)</sup> It also reviewed the audited financial statements of the executing agencies for the year ended 31 December 1990, the reports of the external auditors and comments of the Administrator on the audit reports of the executing agencies,<sup>(51)</sup> and the report of the Administrator on the interim report of UNDP itself.<sup>(52)</sup>

On 26 May,<sup>(53)</sup> the Council noted that the Administrator had taken and was taking action to correct the situations identified by the auditors, and urged him to conclude all standard basic executing agency agreements by 31 December 1992. The Council also noted the comments of ACC regarding the views of the Board of Auditors on agency accountability, and requested the Board to pursue the issue of submission of complete audit information to the Board by the external auditors of the agencies. It requested the Administrator to intensify efforts to achieve full implementation of the recommendations of the Board of Auditors on OPS and to report to the Council thereon in 1993. He was urged to work with other United Nations organizations and specialized agencies to achieve common accounting principles and standards.

#### Status of management services

In March,<sup>(54)</sup> the Administrator submitted to the Governing Council his biennial report, covering 1990 and 1991, on the status of management services provided to Governments by UNDP. He noted that the use of management services continued to grow, though at a slower pace, with no significant new trends emerging since his 1990 report.<sup>(55)</sup> Development bank borrowers and bilateral aid recipients engaged UNDP in 59 new agreements during the period, bringing the total value of active management services projects at OPS to \$305 million by the end of 1991. The Administrator stated that, by providing management services, UNDP assisted Governments in utilizing development funds and in mobilizing greater resources; such services also strengthened UNDP's role in coordinating aid at the country level.

On 26 May,<sup>(56)</sup> the Council concluded that the principles and guidelines in regard to management services enumerated in a 1983 Council decision<sup>(57)</sup> remained valid; that management services constituted a flexible mechanism for increasing the capacity of recipient countries to absorb external assistance; and that the use of management serv-

ices enhanced the aid coordination role of UNDP at the field level.

The Council requested the Administrator to continue to observe the 1983 principles and guidelines; to bear in mind that management services should be viewed as assistance to developing countries in response to their specific needs; to ensure, with respect to bilaterally funded Management Service Agreements, fuller use of rules for international competitive bidding; and to ensure that the appropriate UNDP contract review process was followed, including the so-called double check mechanism. It authorized the Administrator in the coming years to respond to requests for management services in relation to programmes funded by sources other than UNDP. The Council recommended that in the future information on the status of management services be submitted as part of the annual financial report and as part of the OPS annual report, to be reviewed triennially by the Council.

### Financial regulations

In January,<sup>(58)</sup> the Administrator submitted a report on proposed financial regulation 4.6, which defined the term "readily usable" with regard to the currency of voluntary contributions, and other matters on which consensus had not been reached. The report provided the Governing Council with the texts of those items for its consideration.

On 26 May,<sup>(59)</sup> the Governing Council took note of the report of the Administrator and decided that its Budgetary and Finance Committee would consider, at the Council's 1993 regular session, the proposed financial regulation and the other matters on which consensus had not been reached.

### UNDP-administered funds

During 1992, 11 new trust funds were established by the Administrator on behalf of UNDP.<sup>(60)</sup> They were the Family Health International Trust Fund, Rehabilitation Assistance to Anhui Province (China) following Flood Disaster, Trust Fund for the Frente Farabundo Marti para la Liberación Nacional Relocation Points in El Salvador, UNDP Trust Fund for Humanitarian and Rehabilitation Assistance for Cambodia, International Development Research Centre Trust Fund for Information Management Training Series, UNDP Trust Fund for Technical Assistance to Electoral Processes, Trust Fund to Mainstream Human Development into Operational Activities, UNDP Trust Fund for the Baltic Republics, Trust Fund for the Inter-Parliamentary Union, UNDP Trust Fund for the Mozambique Demobilization Programme and the Capacity 21 Trust Fund. Contributions received for those funds during the year totalled \$30.6 million. Three sub-trust funds were established under the Trust Fund for Humanita-

rian and Rehabilitation Assistance for Cambodia. They were the UNDP/Sweden Trust Fund for the Rehabilitation of Infrastructure in Cambodia, the UNDP/United States Trust Fund for Cambodia and the UNDP/Netherlands Trust Fund for Cambodia. Contributions to those funds during 1992 totalled \$7.1 million.

Sixteen sub-trust fund arrangements were established on behalf of UNCDF (2) and UNV (14). The value of those arrangements was approximately \$15.5 million.

During 1992, contributions to the 75 trust funds and sub-trust funds in operation totalled \$118.3 million, while expenditures amounted to \$42.7 million.<sup>(61)</sup>

### Special Programme Resources

SPR represented resources set aside by the Governing Council to finance specified types of programme activities during each programming cycle. In 1991,<sup>(62)</sup> the Council increased the SPR allocation from \$189.5 million in the fourth cycle to \$313 million in the fifth.

Total SPR expenditures during 1992<sup>(42)</sup> amounted to \$83.2 million, of which \$32.6 million was charged against cost-sharing contributions, resulting in a net expenditure of \$50.6 million.

In accordance with a 1991 Council decision,<sup>(63)</sup> the UNDP Administrator submitted a report to the Council's special session<sup>(64)</sup> containing the programming documents for the 26 subcategories of SPR, which were grouped under six major clusters: disaster mitigation; thematic activities; other special and/or new activities; aid coordination; programme development; and assistance to the Palestinian people.

On 14 February,<sup>(65)</sup> the Council approved the programming documents for allocating SPR on the understanding that comments by delegations would be taken into consideration for action during programme design and that the subcategory on social dimensions of adjustment would be redesigned and resubmitted to the Council.

### Support cost successor arrangements

In response to a 1991 Governing Council decision,<sup>(26)</sup> by which it established a new system of reimbursing specialized agencies for support services provided to UNDP-financed programmes and projects, the Administrator in April 1992 submitted his first annual progress report on the new support cost successor arrangements system.<sup>(66)</sup> He stated that, since the new arrangements had gone into effect only as of 1 January 1992, his report covered preparatory actions taken since June 1991 to implement the system and other issues on which the Council's guidance was requested. He noted that UNDP, in consultation with specialized agen-

cies, had developed a set of operational guidelines for implementation of the new system. Those guidelines were issued in January and had gone into effect. They would be field-tested for one year and would then be updated and amended as necessary. The report also discussed the policy framework for execution and implementation; status of financial provisions; the results of a 1991 cost study;<sup>(62)</sup> technical support services at the programme level (TSS-1); issues relating to agencies not subject to the new regime; application to trust funds and other funds under the Administrator; currency fluctuations; flexibility arrangements; and monitoring and evaluation. An addendum to the report listed TSS-1 for 1992-1993.

On 26 May,<sup>(27)</sup> the Council requested the Administrator, while implementing successor arrangements, to take into account differences among recipient countries with respect to the size of IPFs and the administrative capacity of the field office.

The Council approved the TSS-1 work plan for 1992-1993; authorized the Administrator to make such changes as were necessary to the work plan during its implementation; requested that a TSS-1 work plan for 1994-1995 be submitted to the Council in 1993; encouraged, through the catalytic use of TSS-1, more effective use of the agencies' analytical capacities in support of Governments at the policy and programme levels; and requested the Administrator to provide an update of the cost study, taking into account the cost of technical services provided specifically under TSS-1.

With regard to administrative and operational support services, the Council decided that if non-United Nations agents were designated as providers of support services, they would be reimbursed from the IPF sub-line at rates not to exceed those established for the United Nations agencies subject to the new regime as well as for OPS. National NGOs responsible for programme/project implementation should have the necessary management staff and might be reimbursed for their services from project budgets.

The Council approved a proposal made by the Administrator to provide the five agencies subject to the new regime (Food and Agriculture Organization of the United Nations, ILO, UNESCO, United Nations Industrial Development Organization and the former Department of Technical Cooperation for Development (DTCD)) with a reasonable degree of protection from exchange rate movements, taking into account the principle of symmetry in compensatory payments between UNDP and the agencies. The Administrator was asked to include in his annual review of the financial situation information on actual payments made or recoveries achieved in connection with the scheme.

### **Net contributor status**

In response to a 1991 Governing Council decision on preparations for the fifth programming cycle,<sup>(37)</sup> the Administrator submitted a report<sup>(67)</sup> on consultations with countries having a per capita GNP of above \$3,000 (except for small island developing countries) regarding their being asked to contribute to the costs of field offices located there. By an addendum to his report, the Administrator transmitted a communication from Bahrain indicating that it would bear the costs of the UNDP office there and pay 60 per cent of the principal of arrears.

On 14 February,<sup>68</sup> the Council noted Bahrain's proposed settlement of outstanding field cost obligations. It approved the proposed method for distributing local office costs between countries covered by a field office with regional responsibilities and the host country, namely that field office costs attributable to countries other than the host would be covered by the country concerned. The Administrator was asked to inform the Council of the manner in which countries had met their fourth cycle (1987-1991) net contributor obligations, the final IPFs for the countries concerned and the projected implications of the implementation of the 1991 decision<sup>(37)</sup> on the maintenance of field offices in those countries and on the 1994-1995 budget.

## **Organizational issues**

### **Staff-related matters**

In response to a 1991 Governing Council decision,<sup>(63)</sup> the Administrator in March 1992 submitted a report<sup>(69)</sup> on the senior management structure of UNDP. The report outlined the legislative background, as well as the context in which efforts to improve effectiveness and efficiency within UNDP had been undertaken. It described modalities aimed at strengthening UNDP's policy and strategy formulation capacity and dealt with issues relating to improved programme quality and accountability. The report also described a pilot exercise in enhanced divisional management and outlined the structure and functions of the new Bureau of External Relations, which included the Governing Council secretariat, the legal status of which was defined. Issues concerning OPS were also discussed.

The Administrator concluded that a restructured UNDP, with a clearly defined mission, focused strategic approach and strengthened management capacity, was in a strong position to respond to the increasing development challenges facing the international community. He intended to keep UNDP's functioning under review.

On 26 May,<sup>(70)</sup> the Council asked the Administrator to continue to review the senior management structure and to report to it in 1993. It

reaffirmed the need to strengthen UNDP's capacity for institutional strategic planning and the need to take full advantage of management decentralization. It invited the Administrator to designate an existing UNDP unit to have overall responsibility for institutional strategic planning and urged him to continue to improve the managerial qualities and capacities of his staff. Recognizing the steps taken to launch a new Division Chief concept, the Council encouraged the Administrator to continue to develop the concept, and in formulating proposals to increase decentralization of authority to the field, to ensure adequate monitoring, accounting, auditing, backstopping and personnel appraisal, and clear lines of responsibility. The Administrator was asked to invite the Board of External Auditors to UNDP to examine the accountability arrangements for and the effectiveness of the new Division Chief concept and to report to the Council in 1993 on the implementation of the decision.

#### Proposal on the location of UNDP

On 26 May,<sup>(71)</sup> the Governing Council noted with appreciation the proposal by Germany to host the headquarters of UNDP, of its affiliated funds and of UNFPA in Bonn from 1996 onwards. The Council requested the Administrator to: examine in consultation with UNDP members the potential impact of such relocation on the objective of reforming the United Nations system of operational activities for development; to consult with UNDP members on the full range of logistical and related financial, administrative and representational implications of such a relocation; and to provide to the Council, not later than February 1993, a report on the results of the implementation of the decision.

#### Coordination with other organizations

On 26 May,<sup>(72)</sup> the Governing Council encouraged the Administrator to strengthen UNDP's interaction with other development institutions, including international and regional finance institutions, to establish the greatest possible coordination, avoid duplication and achieve the best use of comparative advantage in technical cooperation, within the context of the national development priorities of recipient countries. It asked the Administrator to report to the Council on the issue in 1993.

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## Other technical cooperation

### UN programmes

On 1 March, the Department of Economic and Social Development (DESD) was established as part of the restructuring of the United Nations Secretariat by the Secretary-General. The new Department's responsibilities included those of the former Department of Technical Cooperation for Development (DTCD). In addition to DESD, organizations engaged in providing technical cooperation assistance for economic and social development during 1992 included the regional commissions, the Centre for Human Rights, the United Nations Office at Vienna, the United Nations International Drug Control Programme, the Office of Legal Affairs, the United Nations Centre for Human Settlements, UNCTAD and UNEP.

In 1992, the organizational entities of the United Nations delivered a technical cooperation programme of \$243 million, compared with \$285 million in 1991, representing a 15 per cent decrease in project expenditures.

### DESD activities

In his annual report to the UNDP Governing Council on technical cooperation activities,<sup>(1)</sup> the Secretary-General stated that, in 1992, DESD had 918 technical cooperation projects under execution, with a total delivery of some \$140.7 million against budgets of \$185 million.

Projects financed by UNDP represented \$87.2 million; those by trust funds, \$28.7 million; those by UNFPA, \$14.1 million; and by the United Nations regular programme of technical cooperation, \$10.7 million.

On a geographical basis, the DESD-executed programme included expenditures of \$61.9 million in Africa; \$37.6 million in the Middle East, Mediterranean, Europe and for interregional programmes; \$34.6 million in Asia and the Pacific; and \$6.6 million in the Americas. Project delivery in Africa remained the largest, with a 39 per cent share of the total sum.

Distribution of expenditures by substantive sectors was as follows: natural resources and energy, \$47.3 million; development policy, \$28.7 million; public administration and finance, \$25.3 million; statistics, \$16.7 million; population, \$7.6 million; the United Nations Educational and Training Programme for Southern Africa (UNETPSA), \$5.8 million; social development, \$4.5 million; and others, \$4.8 million. Natural resources and energy, which included work in minerals, energy, water and infrastructure, comprised 34 per cent of the total \$140.7 million.

By component, DESD delivery included \$83.9 million for project personnel; \$21.2 million for training; \$19.8 million for equipment; \$8.8 million for subcontracted services; and \$7 million for miscellaneous expenses.

In addition to a number of new initiatives, such as peace-building, improvement of governance, electoral administration, privatization, investing in Central American development and assistance to economies in transition and to newly independent States, DESD continued its efforts in relation to Africa and LDCs, environment, evaluation, women in development and technical cooperation among developing countries (TCDC).

In-depth evaluations were undertaken in respect of 29 projects during 1992. Problems identified in the evaluations included shortcomings in project selection and design; scarcity and too-rapid turnover of national staff; and lack of detail and analysis in the area of human resources development.

Expenditures for fellowships and training amounted to \$21.2 million in 1992. Africa had the largest share, 54 per cent, or \$11.4 million; Asia and the Pacific, 27 per cent, or \$5.8 million; the Mediterranean, Middle East and inter-regional programmes, 18 per cent, or \$3.7 million; and the Americas, 0.1 per cent, or \$0.3 million.

DESD implemented a total of 3,438 training awards, including fellowships, study tours, seminars and workshops. Most placements were in the United States, followed by South Africa, the United Kingdom and Australia.

The tenth meeting of Senior Fellowship Officers, held under DESD auspices at the ILO International Training Centre (Turin, Italy, 24-26 March), reconfirmed the role of the DESD of-

fice in Geneva as the focal point for the United Nations system inter-agency fellowships.

DESD continued to cooperate with the United Nations Department of Political Affairs on UNETPSA. In 1992, contributions and pledges amounted to over \$5.3 million, a decrease from the previous year's \$5.9 million. Policy directives for funding in South Africa and abroad emphasized building the institutional capacity of NGOs to provide black leadership skills training to facilitate the transition to a non-racial, democratic system and training black lawyers and judges for the administration of justice in post-apartheid South Africa.

In response to a 1991 Governing Council request,(2) the Administrator in April submitted a report(3) on options for closer cooperation between the former DTCD and UNDP. He stated that its conclusions had been overtaken by the restructuring within the United Nations. Consequently, he proposed that the Council's consideration of the issue should be postponed until DESD was fully established.

On 26 May,(4) the Council took note of the Secretary-General's report on the 1991 technical cooperation activities of the United Nations(5) and of the report of the Administrator on cooperation between the former DTCD and UNDP. It noted the Administrator's view that the issue of in-depth consideration of closer cooperation between the new DESD and UNDP should be taken up again after the Department was fully established. It requested the Administrator to provide information on options of cooperation between DESD and UNDP, if possible for the Council's 1993 session.

The Council stressed the importance of collaboration between DESD and UNDP in those areas where the Department had already developed the necessary technical expertise, capacity and experience. It welcomed DESD's efforts to help increase national capacities for programme management and project execution, and invited it to continue its activities relating to LDCs, environment, TCDC, women in development, economies in transition and other initiatives.

#### United Nations Volunteers

On 26 May,(6) the Governing Council, having considered the Administrator's report on UNV for 1990-1991,(2) requested him to continue to strengthen the universal character of recruitment for the UNV programme, including increasing the participation of volunteers from underrepresented countries, of women and of older persons; to make full use of more detailed post and job descriptions for better matching of skills with assignments; to

expand training and briefing for volunteers; and to help to formulate programmes in which UNV specialists and Domestic Development Services field workers contributed to development activities, with special emphasis on responding to ideas from local, low-income communities to build up their capacity to deal with their development needs.

The Council encouraged UNV to seek a more clearly defined role for volunteers in development cooperation and to develop its current and future strategy regarding the focus of work. It reiterated its request to the Administrator to find means to support Domestic Development Services activities and their regional networks, and encouraged him to apply funding where appropriate from SPR.

It urged the Administrator to work with Governments and the United Nations system in raising awareness of the potential contribution that volunteers could make to development, and to promote greater mobilization of human resources in developing countries through, among other things, support to local NGOs and community-based organizations and mixed teams of international and national volunteers in UNV activities. The Council welcomed UNV's involvement in the humanitarian relief area and related fields, ranging from capacity-building in disaster prevention, preparedness and mitigation to rehabilitation and reconstruction activities.

The Administrator was requested to ensure that UNV activities would be consistent with the coordination to be exercised by the United Nations Department of Humanitarian Affairs (DHA); to consider ways of securing start-up funding for the early fielding of volunteers in time of emergencies, particularly through access to DHA's central emergency revolving fund; and to ensure funding for middle- and long-term UNV involvement through access to SPR and to trust funds. The Council decided that, except in situations where special financing was available for volunteers, the external costs of UNV specialists should be charged to project budgets on the basis of a pro forma cost, starting with new contracts as at 1 July 1992. It also decided that the income accruing annually to the Special Voluntary Fund as of 1 January 1992 from voluntary general contributions and interest income be utilized to support such activities as pilot and experimental projects; the briefing of UNV specialists and training of Domestic Development Services country specialists and field workers, government officials and NGO representatives; and special recruitment campaigns. The Council invited all UNDP members to increase contributions to the Special Voluntary Fund and asked the Administrator to report to it in 1994 on the implementation of the decision.

#### Technical cooperation among developing countries

In his annual report for 1992,(7) the UNDP Administrator stated that solid progress had been made in the promotion of TCDC. Information activities on TCDC were intensified, targeting Governments, the United Nations development system, intergovernmental organizations, NGOs and other key actors in the development process using a training-of-trainers scheme. A comprehensive trainers' guide was prepared and distributed to field offices and Governments, and information kits on TCDC were provided. Four issues of the Cooperation South magazine were published, and a newsletter was produced on a regular basis.

A number of intercountry workshops took place covering, for example, air transport (Ethiopia); networking among grass-roots women's organizations (Ghana); TCDC aid coordination and resource mobilization (Seychelles); meat-preservation technologies (Senegal); macroeconomic planning for island countries (Fiji); spare parts reconditioning (Cuba); technical cooperation for transition (Commonwealth of Independent States, the Baltic States and Poland); urban management (Malaysia), and intellectual property and trade (Philippines).

Two regional workshops (Latin America and the Arab region) were held to strengthen the role of TCDC national focal points in promoting and advising on the application of TCDC. The fifth TCDC Focal Point Meeting of United Nations organizations (New York, 15 and 16 July) worked on draft guidelines for the review of policies and procedures in the United Nations development system concerning TCDC.

DESD worked with the UNDP Special Unit for TCDC in providing support to Ecuador and 21 other countries for an exercise, held at Quito, to identify possible TCDC arrangements in connection with mining and its environmental impact. In preparation for the exercise, missions were conducted to several countries in Latin America and the Caribbean and in Asia. The exercise resulted in 177 project agreements.

Secretary-General's report. In response to decision 1992/205 of 7 February, by which the Economic and Social Council placed an item on TCDC on the agenda of its 1992 substantive session, the Secretary-General in June submitted to the Council a report(8) on TCDC as a modality in formulating, preparing, executing and evaluating projects implemented by the United Nations system in the economic, social and related fields. The report noted that the relevance of TCDC as a modality in strengthening national capabilities and building collective self-reliance had been given special impetus with the 1978 adoption of the Buenos Aires Plan of Action for Promoting and Implementing

TCDC.(9) The continuing validity of the Plan of Action had been repeatedly reaffirmed by various United Nations bodies.

The report discussed application of the modality, noting that it had not been fully put to use. TCDC needed to be seen as a key to the whole development effort, not as an alternative, but as a complement to the more conventional forms of development assistance.

The report recommended that all parties should inspire a change in attitude whereby TCDC would become appreciated and applied as an effective, less costly and relevant modality of cooperation. They should simplify the gathering and accessing of data on capacity availability in developing countries, use demonstration and pilot projects to test new approaches and refine initiatives, and strengthen the national TCDC focal points. It recommended that Governments encourage and facilitate the use of TCDC for programme and project implementation, adopt national policies favourable to its use in national development plans, strengthen or establish national focal points for TCDC, identify and facilitate sectors where TCDC could be more widely applied, sensitize officials in governmental institutions, the private sector and NGOs on the comparative advantages of TCDC for the exchange of technology, expertise and experience, and strengthen and streamline the matching of technical cooperation needs and capacities.

As to the United Nations development system, it should use TCDC in implementing programmes and projects by ensuring that it was given first consideration, both during the formulation and implementation process and through the involvement of field offices during project identification; ensure more focused efforts in using the capacities of developing countries; enhance the role of agencies in assisting Governments to identify needs and capacities for cooperation among developing countries; improve and expand the TCDC Information Referral System; encourage Governments, public and private institutions and NGOs to consider using TCDC in projects and to adopt policies favourable to its wider use; and assist Governments to apply the TCDC modality in preparing projects and programmes for cooperation regardless of the source of funds.

#### ECONOMIC AND SOCIAL COUNCIL ACTION

On 30 July 1992, the Economic and Social Council adopted resolution 1992/41 without vote.

Technical cooperation among developing countries  
The Economic and Social Council,

Reaffirming the continued validity and importance of all the recommendations of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries in promoting technical cooperation among developing countries,

Reaffirming also the recommendation that the entire United Nations system dealing with development must be permeated by the spirit of technical cooperation among developing countries and that all relevant organizations of the United Nations system should play a prominent role as promoters and catalysts of technical cooperation among developing countries,

Recalling General Assembly resolutions 45/191 of 21 December 1990 and 46/143 of 17 December 1991 on developing human resources for development,

Recognizing that increased cooperation is taking place among developing countries and their institutions through the sharing of expertise, experience and facilities,

Recognizing also that technical cooperation among developing countries is an effective tool for implementing development programmes and projects through the use of relevant experience and expertise and could also facilitate trade among developing countries,

Reiterating that developing countries have a primary responsibility for promoting technical cooperation among themselves, and that developed countries and the United Nations system should assist and support such activities and should play a prominent role as promoters and catalysts of technical cooperation among developing countries, in accordance with the Buenos Aires Plan of Action,

Noting with appreciation the recent measures taken by organizations of the United Nations system to identify technical cooperation among developing countries as a priority theme, to provide increased support to promotional activities and to arrange for monitoring technical cooperation among developing countries through the mechanisms established for project appraisal and approval,

Concerned, however, that technical cooperation among developing countries since the adoption of the Buenos Aires Plan of Action has not been widespread and is still marginally applied in the implementation of programmes and projects,

1. Calls upon all parties in the development effort to make concerted, planned and vigorous endeavours to benefit from utilization of the capacities of developing countries by giving their full support and first consideration to the use of the modality of technical cooperation among developing countries;

2. Urges all parties to enhance the scope and application of the modality in work carried out at all stages of the project cycle;

3. Requests all parties to increase support activities aimed at enhancing awareness in government institutions, the private sector and non-governmental organizations of the modality of technical cooperation among developing countries;

4. Calls for increased use, where appropriate, by developed country partners of consultants from developing countries so as, inter alia, to improve the cost-effectiveness of projects and programmes;

5. Urges the United Nations Development Programme and other organizations of the United Nations system dealing with development to consider improvements to the working and scope of the Information Referral System, to improve and expand data and information on existing technical capabilities in developing countries through that System and to enhance access to such information;



6. Also urges the United Nations Development Programme and other organizations of the United Nations system dealing with development to intensify, within existing resources, their efforts to build national capacity for human resources development in developing countries;

7. Invites all countries and organizations of the United Nations system dealing with development to review further their policies and practices to facilitate the use of technical cooperation among developing countries in the design, formulation, implementation and evaluation of programmes and projects supported by them;

8. Urges developing countries to encourage greater use of technical cooperation among developing countries in the implementation of national development activities and projects, including procurement practices;

9. Invites developing countries to strengthen their national focal points for technical cooperation among developing countries to enable them to promote more effectively and monitor progress in such cooperation;

10. Requests the Secretary-General to report to the Economic and Social Council at its substantive session of 1994 on his assessment of the implementation of the present resolution.

Economic and Social Council resolution 1992/41

30 July 1992 Meeting 41 Adopted without vote

Draft by Vice-President (E/1992/L.39), based on informal consultations on draft by Pakistan for Group of 77 and China (E/1992/L.29); agenda item 5. Meeting numbers. ESC 36, 41.

#### REFERENCES

(1)DP/1993/39 & Add.1-3. (2)YUN 1991, p. 387. (3)DP/1992/36. (4)E/1992/28 (dec. 92/34). (5)YUN 1991, p. 385. (6)E/1992/28 (dec. 92/35). (7)DP/1993/10/Add.1. (8)E/1992/75. (9)YUN 1978, p. 467.

## UN Capital Development Fund

During 1992,(1) an estimated \$48.7 million in resources was made available to UNCDF, a multilateral agency providing small-scale assistance to officially designated LDCs and other countries regarded as LDCs. The total comprised \$39.6 million in voluntary contributions, \$8 million in other

income, \$700,000 in loan repayments, and a \$400,000 reduction in operational reserve. A further \$101.2 million was available from previous years.

Resources used during the year totalled \$57.5 million, including \$48 million in project expenditures, \$4.5 million in administrative expenditures and \$5 million in loans disbursed.

Seventeen new projects were approved by UNCDF in 1992. They included an aquaculture project in Bangladesh, support to rural self-help development activities and a water supply and sanitation project in the Central African Republic, rural water supply and sanitation projects in Equatorial Guinea and Guinea-Bissau, a fisheries rehabilitation project in Eritrea, a guarantee fund and credit line for micro-enterprises in Madagascar, a rural motorized transport project in Malawi, road rehabilitation in Mozambique, a small marketing infrastructure project in Nepal, construction of a bridge in Nicaragua, integrated rural development in the Niger and road reconstruction and rehabilitation in Sierra Leone.

In his annual report for 1992,(2) the UNDP Administrator stated that an internal management review was conducted both at headquarters and in the field to analyse UNCDF programme development and delivery. A strategy based on area development emerged, although its implementation was constrained by a lack of resources. That strategy sought to take advantage of trends towards democratization and decentralization by working with Governments, community groups and NGOs in order to intensify participatory activities at the grass-roots level. With grass-roots level poverty reduction in LDCs as its major thrust, UNCDF continued to incorporate other themes into its programming, particularly the environment and women in development.

#### REFERENCES

(1)DP/1993/42. (2)DP/1993/10/Add.1.