DRAFT REPORT ON THE ANNUAL SESSION

Addendum

VI. ANNUAL REPORT OF THE EXECUTIVE DIRECTOR AND PROGRAMME-LEVEL ACTIVITIES

D. Work plan and financial implementation of programmes

1. The Deputy Executive Director (Policy and Administration) introduced the work plan for 1995-1998 and request for programme expenditure authority (document DP/1994/45) and the Status of financial implementation of Governing Council-approved country programmes and projects (document DP/1994/49). He noted that while the income of UNFPA had been lower than that in 1992 he was confident that this decrease had been a one-time event. He mentioned in particular the fact that the United States Government had returned as a major donor of UNFPA and that the International Conference on Population and Development (ICPD) would likely have a positive impact on fund-raising - both of which justified the income assumptions used in the work plan. He noted that the work plan followed the traditional approach and did not foresee any major changes in the intended use of programme resources, as compared with the pattern of the recent past. With respect to the status of financial...
implementation of country programmes and projects, he observed that, as shown in the report, UNFPA had allocated resources to country programmes largely as scheduled, with delays being caused mostly by political events in the respective recipient countries.

2. Delegations expressed broad support for both reports. However, they expressed concern about the large carry-forward of resources, which totalled some $47 million at the end of 1993. Those speaking on the subject noted the need for sound managerial action to improve project implementation. In this regard, the Administration gave explanations on two issues: (a) the efforts made by UNFPA to improve project implementation qualitatively and quantitatively, as well as to improve project monitoring - both of which would help avoid some of the delays experienced in the past; and (b) the difficulties of matching income with expenditures for any year, given the fact that the income was known only when the year had already ended and that the expenditures of any given year were dependent upon allocations made already prior to the year in which the funds were spent. This latter problem was exacerbated by the considerable uncertainty of income levels that had prevailed when the allocations for 1992 and 1993 had been made.

3. Delegations also expressed concern on the income assumptions for the years 1995-1998, which were based upon annual increases of 6 per cent, which some felt was overly optimistic. On the other hand, one delegation stated that, in view of the impetus to fund-raising expected from the ICPD, this estimate should actually be higher. Several delegations commented on the intended use of programme resources, inter alia, by suggesting increased proportions to Africa or reduced proportions to inter-country activities.

4. Several delegations commented on the fact that - in spite of savings on the administrative and programme support services (APSS) budget of $17.5 million for the biennium 1992-1993 - the proportion of the APSS budget appeared too high, be it calculated as a percentage of income or as percentage of programme expenditures. Some felt that this was the result of income assumptions which in the past had been too high. The Administration replied in detail on the budgetary process, explaining why the APSS budget could not be expected to respond, to a significant extent, to fluctuations in income
during the period of the biennial budget. Moreover, the Administration indicated that further budget reductions could possibly hinder programme implementation. At the same time, the Administration detailed the efforts that had been made to save $17.5 million in the APSS budget in 1992 and 1993, out of the original total net appropriations of $104 million.