PROGRAMME IMPLEMENTATION

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1979

Report of the Joint Inspection Unit on the use of vehicles by
UNDP field offices and projects (JIU/REP/79/6)

Note by the Administrator

The Administrator of UNDP is bringing to the attention of the Governing Council the attached report of the Joint Inspection Unit (JIU) on the use of vehicles by UNDP field offices and projects (JIU/REP/79/6).

The comments of UNDP are contained in document DP/423/Add.1.
REPORT ON THE USE OF VEHICLES BY UNDP FIELD OFFICES AND PROJECTS

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Geneva
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Background of the study

1. The Inspectors in the course of visits to field projects noted that although there are formal rules governing the acquisition, use and disposal of vehicles by UNDP field offices and UNDP-assisted projects, these rules are not uniformly interpreted or applied. In the belief that a review of this question could lead to economies and greater efficiency, the Joint Inspection Unit decided to undertake a study on the use of vehicles by UNDP field offices and UNDP-assisted projects.

Methods of work on the study

2. Data for the study were gathered by three methods:

   (i) an examination of the existing rules and guidelines for the use of official vehicles and related discussions in the Governing Council of UNDP;

   (ii) a detailed questionnaire addressed to all Resident Representatives;

   (iii) on the spot investigations by Inspectors in several countries during trips carried out mainly for other purposes.

3. The questionnaire touching on various aspects of the use of vehicles by UNDP field offices and projects was distributed in April 1978 to all Resident Representatives. Only 81 of them have sent in replies, but some of them were unable to reply to all questions. The statistical data and some suggestions in this report are based upon the replies received.

4. The Inspectors wish to record their appreciation to the Resident Representatives for their advice and help.
II. CURRENT RULES FOR THE USE OF VEHICLES

A. Rules for vehicles assigned to offices of Resident Representatives

5. The Administrator of UNDP issued on 7 June 1976 a circular letter setting forth general principles of the most important of which may be summarized as follows:

a) All vehicles officially assigned to the Resident Representative's office, i.e., vehicles financed fully or partially by UNDP funds (administrative or extra budgetary resources) and those administered or on loan, form a transport pool from which all official transport requirements will be met in the overall interests of the Programme support.

b) The Resident Representative is responsible for establishing and administering operational rules governing the use of official vehicles under guidelines issued from time to time by Headquarters.

c) Only the Resident Representative is assigned an official car and driver on a full-time basis (or, in his/her absence, the Acting Resident Representative or Officer-in-Charge).

d) The use of such a car should be for official purposes only, but it should not be considered as being available exclusively to the Resident Representative; accordingly, when not in use, the car and driver could be utilized on a pool basis, as deemed appropriate.

e) Project vehicles which have been placed in the temporary custody of the Resident Representative awaiting either transfer to another project, to a Government, or disposal, should not be considered as an additional administrative transport resource in the context of operational pool vehicles. Rather, continuous efforts should be made to dispose of this category of vehicle appropriately as soon as possible.

f) Whenever possible, however, such project vehicles in custody should be made available to new projects, both as an alternative to the purchase of new vehicles and replacements for worn out vehicles which have been surveyed and for which provision for replacement has been made. Likewise, where appropriate, Resident Representatives should first consider replacing surveyed UNDP official vehicles by way of project vehicles in custody instead of purchasing new vehicles.

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g) In order to conserve petrol and economize on the operating costs of official vehicles, prudence should be exercised in the provision of transport and related services to official visitors, particularly to and from airports. Where practicable, alternative means should be used such as taxis, bus services, etc., as a charge against the travel entitlement of the visitor.

h) Except where undue hardship may result, staff members proceeding on or returning from leave or mission are expected to make their own transport arrangements. However, newly arrived staff members and their families should be met upon arrival at the duty station, and transport also be provided to take them to the airport upon their departure from the country.

i) The practice of permitting the use of official vehicles for non-official purposes such as transportation of children to and from school, shopping, recreational activities, etc., should be discontinued. Exceptions may be made only in emergency situations, e.g., where staff members are temporarily deprived of transport (public or private) due to car breakdown, or for medical or compelling compassionate reasons.

j) Under normal circumstances, with the exception of the Resident Representative, official vehicles should not be used for the transport of internationally recruited staff to and from their place of work. However, the Resident Representative may authorize the use of official vehicles where there are extenuating circumstances. In the case of locally recruited staff, the Resident Representative may authorize the use of official vehicles where this has been clearly established as widely accepted local practice and reflected in determining their conditions of service.

k) All official vehicles must be left at the UNDP compound (where this exists) or at a garage or in an area designated by the Resident Representative, after working hours. Drivers are not authorized to take the vehicles home unless such an arrangement is approved in advance by the Resident Representative as the most economical and safe procedure.

6. The Inspectors consider that the above principles are reasonable but found that they were unevenly applied. They require further precision and more uniformity is needed particularly for items (g) to (j). Examples of why Resident Representatives had found it difficult in many cases to apply the general principles follow:

a) The large distances between urban and suburban residential areas in one country and the lack of public transport have created the need for a UNDP-operated transport network to transport all local staff (about 60) to and from work in the morning and afternoon. The city telephone and postal systems are not adequate and UNDP cars have to be used to deliver mail and messages.
b) In another country public transport is inadequate particularly at rush hours. Therefore all local staff members (18) are permitted to use official vehicles for travelling to and from work.

c) In some countries, UNDP vehicles are used to pick up and deliver local mail and other messages because the telephone and mail services are not sufficiently reliable. This also requires UNDP officials to visit ministries and projects frequently rather than conduct business by telephone. Often these offices are located several miles from the UNDP office.

d) The extensive use of official vehicles by UNDP officials which under normal conditions could not be considered rational is reported by some Resident Representatives as being due to the inadequacy and unreliability of public transport.

e) Due to insufficient public transport in one country the local staff members are provided with official transport to and from work against a cost-covering flat rate. During the initial weeks of assignment this facility is, when circumstances so warrant, also exceptionally extended to international staff who are then charged the actual cost incurred.

f) The Resident Representatives in many countries are compelled to provide transport to and from the airport for arriving and departing consultants and other UN visitors by reason of the fact that advance booking of taxis is not possible. Similarly, they are bound to provide certain transport facilities to visiting consultants inasmuch as the local taxi services cannot be relied upon. Transport is provided to those local staff members who require it for travel to and from the office because the availability of taxis presents a problem and also because the total monthly cost would in many cases absorb their entire salaries.

g) In another country security and other constraints make it difficult to comply with the rules.

h) In other instances, following the economy measures introduced by UNDP in 1976, ways were found at some duty stations to reduce the use of official cars. For example, in two countries a long established practice of providing transportation between the cities and the airport was discontinued.

The Inspectors could quote more examples of this kind which made it necessary to make arrangements different from those set out in the directives and principles issued at Headquarters.

B Rules for project vehicles

7. In March 1974, CCAQ adopted general guidelines\(^2/\) in which standards and conditions were set out and the purposes for which project vehicles might be used were specified. They authorize the use of official cars for the following purposes:

expert. Reimbursement of the cost shall be obtained from the
major departments for medical shopping or other purposes. In such
instances, the transport of experts and/or members of their families
to the vehicle for more than two days in any two weeks. For
the vehicle, charges shall not be made except in cases
where a duly signed and/or witnessed attestation by the
headquarters or the resident representative, the head
official, or the executive officer, is presented. Any other use in
line with the essential purposes for

Transport of experts to and from their place of work.

Transport of experts to and from their place of work.

Transport or participation in official visits when such travel
is advisable from a technical or public relations point
of view.

Transport of members of their families living in the same
house or other relatives.

Transport of an expert to and from official functions of
the project.

Justified such use.

Transport to the place of work and/or their residence.

Transport to the airport or other public station
of the experts and/or their families from the airport or other public
place and/or their residence.

Transport on arrival and departure of experts and

i) Vehicles may not be used for journeys or to make extensive
detours the principal purpose of which is to transport experts
and/or members of their families between their residence and
place of employment or return.

8. Although these guidelines are more liberal than the princi-
pies set out by the Administrator of UNDP (see para 5 above) they
are not uniformly observed. Numerous cases have been reported by
Resident Representatives of project vehicles being used by
project personnel and members of their families for purposes that
would be classed as non-official. For more details see section
III B.

9. The UNDP Administrative Field Manual specifies various
methods of control over the use of UNDP vehicles, including the
following:

a) Information on the use of official vehicles is invariably
to be recorded on the form "Vehicle Trip Request and Dispatch
Slip".

b) The mileage, gasoline consumption, other running costs and
condition of official vehicles should be checked and recorded
daily in respect of each official vehicle operated by the field
office. For these purposes, the form "Driver's Daily Log" is to
be used.

c) Vehicle history record: A "Vehicle History Record" card
should be maintained in respect of each official vehicle. This
record should include information relating to the following
items:

   i) Average gasoline consumption - At the end of each month
   the average mileage per gallon (or kilometer per litre)
   should be worked out for each official vehicle and be
   recorded on the Vehicle History Record Card. This
   average should be compared with the performance of the
   same vehicle for the previous period. It should also be
   compared to corresponding averages of other comparable
   vehicles operated by the field office. Relatively
   large variations in these averages would reflect upon
   the comparative efficiency of the official vehicles
   from one period to another, or against comparable
   vehicles. This control may also reveal possible
   irregularities in the use of gasoline.

   ii) Repairs, servicing and maintenance costs - The cost of
   repairing, servicing and maintaining each official
   vehicle should be recorded, as they occur, on the
   Vehicle History Record Card. This record provides an
   easy means of ascertaining that the vehicles are
   regularly and adequately maintained. It also serves as
   a control over the costs of maintaining the official
   vehicles and will be useful to the Resident Represen-
   tative in determining the point where the operation of a
   certain official vehicle is no longer economically
   warranted.
iii) Other information - The form also contains spaces in which to record specific details, such as the identification number of the vehicle, information on its insurance coverage, registration, ownership (i.e., whether it belongs to the UNDP field office or to the Government, etc.).

iv) It should be noted that, whenever an official vehicle is referred to UNDP Headquarters with a request for write-off action, a copy of the Vehicle History Record, fully completed, is to be attached to the request.

10. However, the existing mechanism of control established by the UNDP Administrative Field Manual does not, in the Inspectors' opinion, cover all aspects of control. Some of the Resident Representatives recognized that the control of cars used on projects was very difficult. For example:

a) the Resident Representative in one country was concerned about the use of UN cars for private purposes by those working on projects;

b) the Resident Representative in another country was also very concerned at the use of project vehicles on private business but could find no means of controlling their use: instructions had been issued and letters written but project vehicles continued to be used privately;

c) Misuse of project vehicles when officials in charge of them use them for private journeys was also reported by other Resident Representatives.

d) The Inspectors noted that internal auditors of some organizations were grappling with "a long standing problem" of control over the use of project vehicles for private purposes. They thought that the present policies and control mechanisms (such as log books) offered insufficient guarantees. The Inspectors consider that more discipline and control should be imposed. Project vehicles are not and cannot be considered as private property to be used freely for every purpose. The Inspectors make proposals on this question in Chapter V.

C. Operational procedures established by Resident Representatives

11. The rules and procedures described above served to guide Resident Representatives in the establishment of operational procedures for the use of official vehicles. The basic features of these operational procedures are summarized below:

a) Project vehicles should be used only for official project duties and during office hours.

b) If project vehicles are found to have been driven after working hours without full justification or used for personal purposes at any time, disciplinary measures should be taken.

c) In all circumstances the log book for every vehicle should be completed showing the name of user, mileage driven, date and purpose.

d) There may be some emergency cases for which the use of official vehicles for private purposes can be authorized either by the Resident Representative or by the Project Managers. In these specific cases, persons using the vehicles must pay the rate per kilometer applied by the United Nations for the country concerned.

e) The recently increased costs of petroleum products require efforts to minimize operating costs including payment of overtime to drivers.

f) Official vehicles should not be used for hospitality unless authorized by the Resident Representative.

g) Transport requirements of visitors should not be serviced unless cleared by the Resident Representative.

h) Any release of official vehicle to Governments for non-project or non-development related use should be declined.

12. The Inspectors noted that these operational procedures lack clarity and precision and that they are not uniformly applied. For example, transport for purposes of hospitality and transport of visitors is the general rule rather than, as items (f) and (g) above imply, the exception.

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13. The Inspectors, therefore, recommend that the rules for the use of official vehicles be revised and made more precise both by the Administrator of UNDP for vehicles assigned to offices of Resident Representatives and by CCAQ for project vehicles. This revision should take into account the recommendations made later in this report.
III. VEHICLES AND THEIR DISPOSAL AND ACQUISITION

A. Vehicles assigned to offices of Resident Representatives

14. Number of vehicles. Only 81 Resident Representatives provided detailed information on the number of vehicles. At the end of 1978 some 630 vehicles were assigned to their offices. By extrapolation it can be assumed that there are some 900 such vehicles. The number of vehicles assigned to each office varies considerably with the size of the programme and other factors such as availability of public transportation, geographical spread of activities of the office. However, the Inspectors noted some apparent anomalies in the number of vehicles under the control of some Resident Representatives' offices. For example, according to information provided by Resident Representatives there are 11 vehicles under the control of the UNDP field office in India; 38 in Indonesia; 2 in Greece; 16 in Afghanistan; 2 in Romania; 16 in the Republic of Korea; 3 in Cuba; and 21 in Ethiopia, 11 assigned to the office and 10 in its custody. For details concerning the number of project vehicles, see section III B.

15. The Inspectors consider that the Administrator should establish criteria for determining the number of vehicles to be assigned to each Resident Representative's office. These criteria should in the view of the Inspectors include:

a) the availability of public transportation.

b) the size of the UNDP programme and the number of staff in the UNDP office and the number of experts.

c) the availability of project vehicles for experts.

d) the geographical dispersion of Government offices and projects.

16. Condition of vehicles. The physical condition of vehicles assigned to the offices of Resident Representatives was reported as follows in the replies given to the questionnaire:

<table>
<thead>
<tr>
<th>Condition</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Good condition</td>
<td>39.65%</td>
</tr>
<tr>
<td>Fair condition</td>
<td>29.30%</td>
</tr>
<tr>
<td>Poor condition</td>
<td>31.05%</td>
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100.00%

There was some variation in the condition of vehicles between regions. The highest percentage in poor condition (39%) was found in Asia.
17. Information on the condition of vehicles was one of the factors which led to the recommendations of the Inspectors on the maintenance and disposal of vehicles (see paras 22-26).

18. Many Resident Representatives reported that the standardization lists of makes of cars introduced by UNDP are useful and result in economy. In preparing these lists, attempts were made to limit the number of makes and models of vehicles to those which are believed to be the best in respect of servicing and availability of spare parts, as well as economy in purchase and operation. The lists are kept under constant review primarily by the Resident Representative of the country concerned who informs UNDP Headquarters of any changes in the situation to enable the lists to be brought up to date. Amendments made in any individual list are distributed to the country or countries involved as well as the participating and executing agencies. However, in some countries standardization is reported by Resident Representatives to be somewhat difficult.

19. Makes of vehicles. The distribution of the vehicles among makes varied with the regions. In Africa and the Arab states, one make accounted for some 50% of the vehicles; in Asia, another make also accounted for nearly half of the vehicles; but in Latin America there was more diversity and no make exceeded 25%. The Inspectors believe that the choice of make can best be made locally by each Resident Representative and should be guided by the criteria suggested in para 27 below. The make of vehicle most suited to climatic conditions, condition of roads, maintenance and resale value should be taken into account.

20. Greater use should be made of motorcycles or small utility vehicles for delivering mail and packages instead of using cars, particularly by those Resident Representatives' offices which are in cities with heavy traffic.

B. Project vehicles

21. Number of vehicles. Information provided by 81 Resident Representatives indicated that at the end of 1978 there were some 2,500 vehicles assigned to 600-UNDP assisted projects. By extrapolation it can be assumed that there are about 3,400 such vehicles and some 1,300 drivers, excluding those paid directly by Governments.
22. Project vehicles are paid for from each country's IPF. It should be the Government which determines the number of project vehicles each project requires when it draws up the project document. Some Governments may prefer to provide project vehicles by loan from a Government pool rather than use IPF for this purpose. The Resident Representatives should bear in mind the factor of economy and the real needs of the projects to be carried out effectively.

23. Maintenance of vehicles. Numerous problems of vehicle maintenance exist including the difficulty in obtaining spare parts which are often costly. It is important that maintenance be carried out properly and on schedule to extend the useful life of cars and protect their resale value. The problem of maintenance could be lessened by acquiring only vehicles for which adequate servicing is available locally (see para 29) and by increasing the role and responsibility of drivers for maintenance (see para 32). The percentage of cars reported to be in poor condition (see para 16) adds emphasis to the importance of maintenance.

C. Disposal of vehicles

24. In accordance with the delegation of authority outlined in Circular UNDP/ADM/Field/211 dated 26 March 1974, field offices are authorized to establish a local property survey board which reviews proposals subject to a value limit of US$ 1,200 and provided the equipment is UNDP property. However, this delegation of authority does not include cases involving the disposal of vehicles. Field offices are required to submit such cases to the Headquarters Property Survey Board for action. In other words, cars may not be sold or otherwise disposed of without the prior approval of the UNDP Headquarters Property Survey Board. Requests for disposal action must be submitted on a "Case Report and Recommendation Form" which should include among other things the date of acquisition of the car, the details of its condition which justify disposal, the total mileage of the vehicle, the method of disposal, i.e., transfer to another office, sale, discard, etc. The methods of vehicle disposal by UNDP field offices as reported by Resident Representatives vary from country to country. The Inspectors believe that as a rule Resident Representatives should have more authority and should not have to consult Headquarters on the question of the disposal of cars. This would require more precision in existing guidelines so that Resident Representatives can apply them locally while conforming to the basic policy established by Headquarters. When in accordance with the guidelines a Resident Representative considers selling a car on the local market he should make the decision on the basis of a cost effectiveness analysis taking into account such factors as cost of repair and maintenance of the old car, its resale value, the cost of replacement, etc.

6/ UNDP Administrative Field Manual, section IV-B.
25. The guidelines of Circular UNDP/ADM/Field/397 concerning disposal of project vehicles may be summarized as follows:

a) If a second phase of a project is foreseen, the vehicle should be kept in UNDP custody until it starts, to ensure that the vehicle will continue to be maintained in proper condition.

b) If in the near future the agency will be starting a new project the vehicle assigned to the project which has completed operations could be transferred to the new project.

c) Vehicles from completed projects could be transferred to other projects at book value (inter-agency).

d) Transfer to the Government after taking into account follow-up activities programmed by the Government which might require the use of vehicles.

26. If followed carefully the above guidelines will result in a saving to project budgets. A detailed analysis of the information provided by the Resident Representatives shows that on completion of the UNDP-assisted projects in 1977 there were approximately 700 vehicles remaining which had been purchased previously with UNDP funds. Thirty-seven per cent of this number, totalling 256 vehicles, remained with the projects; 24% or 165 vehicles were assigned to other projects; 14% or about 100 vehicles were put into the Resident Representatives' temporary custody; 22% or 153 vehicles were sold accounting for a total income of US$ 332,084. Eighteen vehicles were put into Governments' custody and 7 were transferred to Governments.

27. The Inspectors do not suggest any general criteria regarding age or mileage of vehicles to guide the decision on their disposal. The relevant factors - cost of maintenance and repair, resale price, cost of replacement, etc. - vary too greatly between duty stations. For example:

a) The view of the Resident Representatives in the African region is that vehicles available upon completion of projects are usually worn out and uneconomical to maintain. Often large sums have to be spent on overhauling and reconditioning them and even then in many cases they are still unfit for overland trips.

b) The Resident Representatives in the Arab states consider that the present system of transferring cars of terminated projects to new projects or selling them to the highest bidder on the local market has proved to be the most economical practice.

7/ Doc. UNDP/ADM/Field/397.
c) In the Asian region, disposal of official UN vehicles causes great difficulty in a number of cases - if a car cannot be transferred to another project or sold to the Government it has to be sold on the local market. This can be very difficult since, in some countries, there are high duties and taxes levied. Also, a vehicle which has been imported duty-free may not be sold without duty to an unprivileged person no matter how old the car may be.

d) As a general rule, project vehicles in Latin American countries are transferred to the Governments for follow-up activities. However, the Resident Representatives in some of these countries feel that it is often useful for field offices to retain field-type vehicles which are in good condition for a year to service projects which do not have transport. The limited number of office vehicles available cannot be used for this purpose and most government offices do not have transport services available for the project personnel.

e) In some European countries, on completion of a project and after consultation with the Project Manager, a vehicle which is not considered indispensable for the continuation of project operations by the Government is handed over to the temporary custody of the UNDP office and is reassigned to another new or on-going project. All repairs are undertaken by the counterpart authority of the recipient project and the cost to UNDP is usually limited to the garage fees. At the time of transfer UN global insurance coverage is cancelled.

28. The Inspectors believe that the guidelines for the disposal of project vehicles summarized in para 25 are sound. However, they feel that Governments should have a greater say in the disposal of vehicles. The guidelines already provide for the transfer of vehicles to the Government after completion of UNDP participation in a project when the continuing activities of the project so warrant. This practice is more frequent in some regions than in others. Since project cars are paid for from the Government's IPF any proceeds from the sale of cars should be credited to the IPF. If the Government feels the retention of a car in a project would be more beneficial than transferring the car to another UNDP-assisted project or selling it then the Government should so propose to the Resident Representative with appropriate justification. The Resident Representative should, unless there are compelling reasons to the contrary, implement the Government's request although he could discuss alternative arrangements with the Government.
D. Acquisition of vehicles

29. In determining the make of vehicles to be acquired there are a number of factors which are as important as the original purchase price. These are:

a) Availability of economical and effective maintenance, repairs and spare parts.

b) Resale value taking into account government regulations regarding the sale of used cars.

c) Fuel economy; pollution; diesel or gasoline motor.

d) Suitability of the car to road and climatic conditions.

30. The above factors vary considerably between duty stations and therefore it should be for the Resident Representative (or for project cars, the Government and executing agency) to specify the make and model of cars to be acquired. This would not preclude the placing of open-end orders to obtain quantity discounts by a central purchasing unit. Resident Representatives and executing agencies should be kept informed of any such arrangements and the financial advantages they could bring. At present, the models to be purchased are selected by Headquarters. There is no general rule. In some countries visited by the Inspectors there were two makes of car - one of better quality was at the disposal of the Resident Representative, the other (sometimes more than one) was used by staff of the Resident Representative's office. When questioned about resale (usually after 3-5 years) the information received from some Resident Representatives indicated that the resale value of the more expensive car was equal to or higher than the price originally paid, but to cover the cost of one new less expensive car two used ones had to be sold. In some countries, the cars are sold to government agencies when they agree to pay the original price. When they do not wish to do this, the cars are sold on the open market. The mode of acquisition of cars differs from one duty station to another. In most cases the Resident Representative's office orders the cars but in some cases the order has to be made by Headquarters when discounts can be obtained by this method. However, to reduce paperwork, arrangements should be made by Headquarters to enable Resident Representatives to order cars directly under the discount arrangement.
IV. DRIVERS

31. Resident Representatives in 81 countries indicated that some 470 drivers were employed by their offices at the end of 1978. In addition, some 1,300 drivers were employed in UNDP-assisted projects. By extrapolation it could be estimated that the total number of drivers is approximately 2,200. The number of drivers assigned to each Resident Representative's office varies with the size of the programme and other factors. However, the Inspectors noted some apparent anomalies in the number of drivers assigned to some offices. The salaries of drivers are based on the local salary scale at each duty station and naturally vary considerably between countries. For example, the cost of 4 drivers in Botswana is equal to US$ 4,195 while in Libya it reaches US$ 22,840.

32. The Inspectors believe that it would be economical to entrust maintenance and some repair work to drivers, perhaps against additional compensation. Drivers for the most part have time to perform such duties during working hours. They could be trained where necessary in maintenance and to do minor repairs.

33. Overtime payments to drivers are made regularly at most duty stations and are expensive. They amount on the average to about 15% of salaries where payment is made for overtime. The Inspectors recognize that some overtime is inevitable but efforts should be made to reduce the night-time requirement as much as possible. More efforts are also required to control schedules, introduce more shift work, refrain from excessive use of official cars outside normal working hours and provide compensatory time off to reduce the cost of overtime. When overtime exceeds 10% of a driver's salary over a period of 3 months, the Resident Representative should seek explanations and remedies.
V. PURPOSES FOR WHICH OFFICIAL VEHICLES ARE USED

34. The rules described in Chapter II attempt to limit the use of cars to official purposes but they have not been successful. There are many instances in which official cars have been used for private business and there are even more borderline cases where, for example, official cars are used to take staff members to and from work. The Inspectors recognize that emergencies do arise when for compassionate or security reasons an official car can be used legitimately for private business. But these should be rare and cannot explain the extensive use of cars for non-official transportation.

A. Use of vehicles by staff members of the duty stations

35. At all duty stations staff members should be entitled to use official cars for official business, such as trips to see government officials, to visit project sites and to attend official meetings. Other types of transportation - to and from airports, to and from work, to and from official receptions - for which cars are not provided at Headquarters duty stations could be authorized by official car, sometimes against payment, depending on the availability of public transportation at the duty station and security. Purely private travel by official cars should be authorized only in the most exceptional circumstances.

36. A detailed analysis of the figures supplied by 75 Resident Representatives shows that more than half of all UNDP-assisted projects indicated use of their vehicles for the transport of staff to and from the office in the morning, evening and at lunch time. Approximately 21 projects use their vehicles to ensure the transport of family members of experts and 18 of them allow the use of project vehicles for private purposes. Some Resident Representatives believe that the private use of project vehicles has been understated by project managers in the responses given individually to the JIU questionnaire.

37. The Inspectors attempted to divide the 79 duty stations for which they had data on the availability of public transportation into four categories and to present information and make proposals for each. (See Table A). The categories are:

   Category A. Public transportation inexistent: 8 duty stations.

   Category B. Public transportation, including taxis, inadequate and unreliable: 38 duty stations.
Table A. Table showing use of official cars for the transportation of staff members*

<table>
<thead>
<tr>
<th>Type of use made of cars</th>
<th>CATEGORY OF DUTY STATION</th>
<th>Providing transportation</th>
<th>Providing transportation</th>
<th>Providing transportation</th>
<th>Providing transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A: Public transportation non-existent</td>
<td>B: Public transportation inadequate</td>
<td>C: Public transportation inadequate but taxis available</td>
<td>D: Public transportation adequate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>8 duty stations</td>
<td>38 duty stations</td>
<td>31 duty stations</td>
<td>2 duty stations</td>
<td></td>
</tr>
<tr>
<td>Providing transportation</td>
<td>Number Yes</td>
<td>Number No</td>
<td>Number Yes</td>
<td>Number No</td>
<td>Number Yes</td>
</tr>
<tr>
<td>1. Transportation to and from airport</td>
<td>A) on official business</td>
<td>8</td>
<td>-</td>
<td>35</td>
<td>3</td>
</tr>
<tr>
<td>B) on installation and separation</td>
<td>8</td>
<td>-</td>
<td>35</td>
<td>3</td>
<td>25</td>
</tr>
<tr>
<td>C) on home leave travel</td>
<td>7</td>
<td>1</td>
<td>24</td>
<td>14</td>
<td>17</td>
</tr>
<tr>
<td>D) on private travel</td>
<td>5</td>
<td>3</td>
<td>11</td>
<td>27</td>
<td>9</td>
</tr>
<tr>
<td>2. Transportation to and from office</td>
<td>A) morning and evening</td>
<td>7</td>
<td>1</td>
<td>33</td>
<td>5</td>
</tr>
<tr>
<td>B) at lunch time</td>
<td>6</td>
<td>2</td>
<td>24</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>3. Travel within duty station</td>
<td>A) on official business</td>
<td>8</td>
<td>-</td>
<td>36</td>
<td>2</td>
</tr>
<tr>
<td>B) private travel</td>
<td>6</td>
<td>2</td>
<td>14</td>
<td>24</td>
<td>15</td>
</tr>
<tr>
<td>C) travel of dependants</td>
<td>5</td>
<td>3</td>
<td>9</td>
<td>29</td>
<td>9</td>
</tr>
</tbody>
</table>

*/ Source: The replies received from 79 Resident Representatives to JIU questionnaire.
Category C. Public transportation inadequate but taxis are available: 31 duty stations.

Category D. Public transportation adequate: 2 duty stations.

38. The number of duty stations shown for each category is as reported by the 79 Resident Representatives who replied to this question. Some of the Resident Representatives may have overstated the case but there is no doubt that the use of public transportation at many duty stations is inconvenient, time consuming and sometimes not possible, particularly in some cities in Asia and the Middle East with big populations and inadequate public transportation.

39. As might be expected, the use of official cars for private and semi-private purposes is particularly high at categories A and B duty stations, somewhat lower at Category C stations and not at all at the two category D stations. Almost all duty stations in categories A and B provide official cars for trips to and from the airport, to and from the office in the morning, at lunch time (when there is not a continuous day) and in the evening, and for the private transportation of dependants. In some cities microbus vehicles are used to transport local staff to and from work. The use of official cars in category C duty stations is as a rule less extensive.

40. But another question is the extensive use of cars for private purposes. Table A shows the number of duty stations (a total of 79 for which information was provided by Resident Representatives) by categories which used official cars for each of the purposes indicated. It will be seen from this table that the use of official cars for semi-official travel and private transportation is extensive. The Inspectors believe that such transportation represents a wrong use of the funds of the Organization and that corrective action is necessary. However, in many duty stations where public transportation is inadequate the Organization should facilitate the local transportation of staff. Moreover, in the course of their investigations the Inspectors found that the internal auditors of the various organizations tended to recognize private use of official cars. This would in effect mean that such use would be allowed, subject of course to the exigencies of service and within reasonable limits, and that a value would have to be placed on the cars and deducted from the salaries of the officials concerned. Therefore, the Inspectors proposed two measures:

a) Making official cars available for use by staff members and dependants at certain duty stations and for certain purposes against payment by the staff member of the cost (see Table B).
The following table presents the details of the Inspectors' proposals on the use of official cars for official and private business and applies both to cars assigned to Resident Representatives' offices and to project cars.

Table B. Proposed use of official cars for the transportation of staff members and dependants, and official visitors.

<table>
<thead>
<tr>
<th>Type of use</th>
<th>Category of duty station (see para 37)</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Type of use</td>
<td>[ ] Category of duty station</td>
</tr>
<tr>
<td>1. Transportation to and from airport[3/]</td>
<td></td>
</tr>
<tr>
<td>a) on official business</td>
<td>Yes</td>
</tr>
<tr>
<td>b) on installation and repatriation</td>
<td>Yes</td>
</tr>
<tr>
<td>c) on home leave travel</td>
<td>Yes</td>
</tr>
<tr>
<td>d) on private travel</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Transportation from home to office</td>
<td>Yes</td>
</tr>
<tr>
<td>a) morning and evening</td>
<td>Yes</td>
</tr>
<tr>
<td>b) at lunch time</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Travel within duty station</td>
<td>Yes</td>
</tr>
<tr>
<td>a) on official business</td>
<td>Yes</td>
</tr>
<tr>
<td>b) private travel</td>
<td>Yes</td>
</tr>
<tr>
<td>c) travel of dependants</td>
<td>Yes</td>
</tr>
<tr>
<td>4. Emergency transportation of staff members or dependants</td>
<td>Yes</td>
</tr>
<tr>
<td>1/ Staff member to pay cost (subject to availability of car and driver).</td>
<td></td>
</tr>
<tr>
<td>2/ Staff member to pay a monthly fee covering cost.</td>
<td></td>
</tr>
<tr>
<td>3/ When transportation is provided to and/from the airport terminal expenses should not be paid.</td>
<td></td>
</tr>
</tbody>
</table>
b) Facilitating the acquisition of private cars by staff members (see Chapter VI).

In both these cases, the Resident Representative should decide according to the conditions prevailing at the duty station.

B. Use of vehicles by official visitors to duty stations

41. Information received from 47 Resident Representatives indicated that the average cost of providing local transportation for official visitors was US$ 6,000 in 1977. There were very large differences between countries in the number of official visitors and there was a tendency for official visits to be grouped in specific parts of the year. In Egypt, for example, where the number of visitors was almost 500 in 1977, the Resident Representative had to cease providing transportation to and from the airport for most visitors.

42. Extensive use of vehicles assigned to Resident Representatives' offices by various categories of official visitors has been reported by 45 Resident Representatives out of the 47 who supplied information on this question. According to figures supplied by these Resident Representatives the provision of a car and driver for official visitors to and from airports is common practice; 6 Resident Representatives reported frequent use of vehicles by official visitors for private purposes and 2 Resident Representatives indicated frequent use of vehicles for private purposes by members of the families of official visitors. Many other Resident Representatives reported occasional private use of official vehicles. The Inspectors believe that when a car is provided for travel to and from the airport for official visitors, terminal expenses should not be paid. They also recommend that no cars be made available for private use except against payment (see Table B) and only when this does not interfere with official needs.
VI. PRIVATE VEHICLES OF STAFF MEMBERS

43. The acquisition of private cars by staff members is of personal benefit to them but it also often facilitates their work. The Inspectors believe that staff members should be assisted by the Organization in obtaining private cars by interest-free loans and help with customs and other formalities.

44. Staff members who have private cars should be encouraged, when security and other conditions permit, to use them for official business against payment on a mileage basis. Any supplementary insurance that may be required should be arranged by UNDP. When this is done the staff members concerned would not be authorized to use official cars except when their personal car is out of commission.

45. Project Managers and experts are allowed to import cars duty-free but in many countries they cannot sell them without paying duty, no matter how long they may have had them. In some countries the regulations are even more severe. It seems to the Inspectors that the Administrator should negotiate with the appropriate authorities to obtain exemption from these regulations for experts who are obliged to leave their posts.
VII. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

1. The provision of official vehicles for UNDP field offices and some UNDP-assisted projects is cost-effective but greater care and more discipline are required to avoid waste and abuse and to ensure that official cars are used strictly in accordance with the rules.

2. The current rules for the use of vehicles are reasonable but they are unevenly applied and require further precision. It is recommended that the rules be revised and made more precise by both the Administrator of UNDP for cars assigned to Resident Representatives’ offices and by CCAQ for project cars. This revision should take into account the recommendations in Chapter II.

3. Criteria for determining the number of cars to be assigned to Resident Representatives’ offices should be devised and based upon the elements listed in para 15.

4. A large proportion of the vehicles currently in use is in poor condition (para 16). More attention should be given to maintenance (para 23) and drivers should be entrusted with greater responsibility for maintenance and minor repairs (para 32).

5. Determination of the make and model of cars should be made locally without, however, precluding the possibility of open-end orders to obtain quantity discounts (paras 18-20 and 29-30). Greater use should be made of motorcycles or small utility vehicles for deliveries (para 20).

6. The disposal of cars assigned to offices of Resident Representatives should be decided case by case on the basis of cost-effectiveness calculations (para 24).

7. The guidelines for the disposal of project vehicles (para 25) are sound but Governments should have a greater say in how vehicles are disposed of (para 28).

8. Overtime payments to drivers of official cars have at times been excessive. More efforts are required to reduce overtime costs. When overtime exceeds 10% of a driver’s salary over a period of 3 months the Resident Representative should seek explanations and remedies (para 33).

9. The use of official cars for private purposes is frequent and represents a wrong use of the funds of the Organization. However, in many duty stations where public transportation is inadequate official cars could be used for some private purposes but against payment (paras 34-40).
The Organization should facilitate the acquisition of cars for official business, and permit the use of such cars by staff members and permit the use of such cars by private purposes. The total cost should be paid by the visitor. The use of cars for official visits has also been extensive and at times they have been used for private purposes. (Pars 41-42 and Table D). If cars are used for private and from the airport terminal, expenses should not be paid.