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GOVERNING COUNCIL
BUDGETARY AND FINANCE COMMITTEE
Twenty-seventh session
June 1980

DRAFT REPORT OF THE
BUDGETARY AND FINANCE COMMITTEE

Addendum

Rapporteur: Miss Mariam AL-AWADHI (Kuwait)

Attached is the draft report on agenda items:

- 4 (b) Evaluation
- 4 (c) Pre-investment
- 10 (e) Headquarters staffing review

20 June 1980

Budgetary and Finance Committee

Agenda item 4 (b): Evaluation

Consideration by the Budgetary and Finance Committee

The financial implications of subparagraph 22 (d) of document DP/448 were referred to the Budgetary and Finance Committee for its consideration. The Committee was informed that additional financial resources would be required to undertake and publish the proposed additional evaluation studies and to implement the other proposed measures for evaluation, feedback and improving project design. The Committee was therefore requested to authorize additional expenditure in 1980-1981 of an amount not to exceed \$300,000 (net), for which additional appropriations, to be allocated from UNDP resources, may be requested by the Administrator at the twenty-eighth session of the Governing Council, unless he were able to cover all or part of this amount from savings within the Programme Support Costs and Administrative Services Costs budgets.

As a result of its consideration of this item, the Budgetary and Finance Committee recommends, should the Governing Council approve the proposals to undertake and publish in 1980-1981 the proposed additional studies in evaluation as contained in DP/448, paragraphs 22 (d) and (e), that the Council should include the following provision in its relevant decision:

Decides, with respect to the proposed additional evaluation studies, to authorize the additional expenditure in 1980-1981 of not to exceed \$300,000 (net), for which additional appropriations to be allocated from UNDP resources may be requested by the Administrator at the twenty-eighth session of the Governing Council, unless all or part of this amount can be covered from savings within the Programme Support Costs and Administrative Services Costs budgets.

20 June 1980

Budgetary and Finance Committee

Agenda item 4(c): Pre-Investment

Consideration by the Budgetary and Finance Committee

1. The financial implications of paragraph 8 of document DP/442 and of the recommendation contained in paragraph 30 of DP/479 were referred to the Budgetary and Finance Committee for its consideration. With regard to paragraph 8 of document DP/442, the Acting Assistant Administrator, Bureau for Programme Policy and Evaluation, informed the Committee that an additional expenditure would be required, if the special arrangements between UNDP and the FAO Investment Centre were to be extended to other Agencies.
2. With regard to the recommendation in paragraph 30 of document DP/479, the Acting Assistant Administrator informed the Committee that UNDP had had preliminary discussions with the World Bank about the possibility of the latter's organizing training courses in pre-investment for Resident Representatives and their deputies. The World Bank had welcomed this proposal and had indicated its willingness to assist in conducting the courses. It was estimated that the cost in the 1980-1981 period would be \$150,000.
3. To perform this work, additional expenditure in 1980-1981 of not to exceed \$100,000 (net) and \$150,000 (net), respectively, would be required, for which additional appropriation to be allocated from UNDP resources might need to be requested by the Administrator from the twenty-eighth session of the Governing Council, unless all or part of this amount could be covered from savings within the Programme Support Costs and Administrative Service Costs budgets.
4. As a result of its consideration of this item, the Budgetary and Finance Committee recommends, should the Council approve the proposals for extending the special co-operative arrangements for training courses in pre-investment, that the Council should include the following provisions in its relevant decision:

Decides, with respect to the special co-operative arrangements with other Agencies and for the training courses in pre-investment for Resident Representatives and Deputy Resident Representatives, to authorize the additional expenditure in 1980-1981 of not to exceed \$100,000 (net) and \$150,000 (net), respectively, for which additional appropriations to be allocated from UNDP resources may be requested by the Administrator at the twenty-eighth session of the Governing Council, unless all or part of this amount can be covered from savings within the Programme Support Costs and Administrative Service Costs budgets.

16 June 1980

Budgetary and Finance Committee

Agenda item 10 (e): Headquarters staffing review DP/476

1. Under item 10 (e) of the Council's agenda, the Committee had before it for consideration a Note by the Administrator, Headquarters Staffing Review (DP/476). Introducing this item, the Deputy Administrator outlined developments since the Administrator informed the Governing Council at its twenty-sixth session that he planned to undertake a study of headquarters and representative field offices. In referring to the timing of the actions connected with these studies, the Deputy Administrator informed members that the planning and fact-gathering phases of the field survey were expected to be completed by about the end of 1980 and, if all went well, that the Administrator's conclusions and recommendations could begin to emerge by the middle of 1981. The Administrator's decisions on the combined Headquarters and Field Studies, therefore, would not be available for submission to the Council's June 1981 session, nor could the 1982-1983 biennial administrative budget, with its March 1981 publication deadline, be prepared on the basis of such decisions. The difficulty was how to deal satisfactorily with the problem of timing while minimizing any possible duplication of work for the Council.
 2. The Deputy Administrator said that there were other uncertainties to be considered, as well; the size of the Programme in future years, the way in which new IPF allocations might affect allocation of staff between headquarters and the field, the role of the Resident Co-ordinators and the completion of the ISIP exercise for improved financial and programme management. There were already growing pressures for staff increases to carry out the much higher level of delivery. Meanwhile, the Administrator was attempting to avoid requests for staff increases pending the results of the Headquarters and Field Surveys.
- The Administrator therefore proposed that the results of these studies and the related budgetary submissions for 1982/83 might be handled as follows:

1980-1981

- (a) The Administrator would direct his staff to prepare the 1982-1983 biennial budget at the usual time, beginning in the late fall of 1980, with a view to permitting its review by the Administrator and the submission of the final documentation for translation and distribution for the Council in March 1981.

(b) This budgetary submission would be prepared, taking into consideration the views expressed by the Council with respect to format and improvements at its twenty-sixth session, largely on the basis of the present organizational arrangements and staffing patterns at both headquarters and in the field. However, having due regard to the Field Office aspects of the survey, it might be advisable to show those staffing figures in the budget in aggregate terms. It would be submitted for the Council's review and approval at its twenty-eighth session, together with the comments of the Advisory Committee.

(c) The budget would essentially be submitted on a zero-growth basis: that is in real terms, it would provide for existing staff plus cost increases associated with that staff. It would probably also be necessary to propose increases in staff when they were for newly approved functions, including new field offices (if any), and for other true exigencies. In each case, the Administrator would personally decide that the increase was absolutely essential to carrying out the workload of the Programme.

1982

(d) The Administrator would submit to the Council's session in 1982, such revisions to the budget as he found necessary from a management, staffing and operational standpoint. The report would include full information on both the Headquarters and Field Studies and would relate the conclusions and recommendations flowing from these studies to the proposed revisions in the 1982-1983 biennial budget.

(e) In view of the time-consuming nature and the cost and the documentation involved, this 1982 submission would be made in as simplified a form as possible: it would avoid presenting again a full-scale budget document; emphasis, where applicable, would be on the reason for shifts in staff and resources and the effect thereof.

Discretionary Authority for the Administrator

(f) In order to keep UNDP functioning as effectively as possible between now and the Council's consideration of the budget in 1981 and the review scheduled for 1982, it will be necessary for the Administrator to have the Council's understanding that during this period, he would expect to redeploy staff and resources between headquarters units, from headquarters to the field and, as necessary, from field location to field location as in his judgement might be required. Inherent in this would be his authority to take such subsidiary administrative actions as might become necessary.

4. The Deputy Administrator concluded by stating that the objective was to make it possible for the Administrator to carry out his administrative responsibilities effectively during the next two years, while ensuring that the Council was in a position to exercise its review and oversight functions during this period. He asked the Committee to note and approve these modalities.

Summary of discussion in the Committee

5. A number of members stressed that they looked forward to a more rational use of human resources in UNDP as well as to more decentralization. They emphasized that, notwithstanding the increase in programme, staff increases - and therefore administrative budget expenditure - should be kept to a minimum. Several members also stated that in the desk-to-desk study and in the Integrated Systems Improvement Project, the Administrator had been given extremely powerful tools with which to effect changes in personnel policy, financial procedures and the over-all management, control and organization of UNDP. An observation made at the twenty-sixth session of the Council was recalled by one member who said that the desk-to-desk study should not be used simply as a justification for staff increases, but rather as a mechanism to review the efficiency and effectiveness of UNDP. Hope was expressed that the Administrator would continue to take this point of view into account.

6. One member, while expressing appreciation for DP/476 and for the Deputy Administrator's statement, regretted that a fuller account of the study was not possible at present. The member further agreed that a "zero growth" basis for staffing in the interim was welcomed and looked forward to the separate document in 1982 giving the survey's conclusions. The member expressed the hope for general staff reductions in the long run. Another member, while indicating agreement with the Administrator's proposal, asked for further information on the discretion requested to redeploy staff during the period in question, since it was his understanding that the Administrator already possessed that flexibility. Still another member referred to the role of the Resident Co-ordinators, one of the uncertainties mentioned by the Deputy Administrator, and requested clarification with respect to their function.

Response of the Administration

The Deputy Administrator noted that while the Administrator possessed flexibility in borrowing and in shifting posts, a major redeployment of staff might be considered to be within the competence of the Council and that was the

reason for the Administrator's setting forth the information contained in (f) above, with respect to the authority he would have to exercise to ensure maximum benefits from these studies. He further observed that while the Secretary-General had issued detailed descriptions of the Resident Co-ordinators' functions, the time required to carry out these functions by UNDP staff, as well as their effect on the staff, could not yet be estimated accurately. This issue might become clearer over the next year, as Resident Co-ordinators assumed their posts.

8. In concluding the item, the Chairman noted that the report on both Headquarters and Field surveys would be submitted for the Council's consideration at its twenty-ninth session (1982), with the biennial budget for 1982-1983 being considered at its twenty-eighth session (1981) on the basis described by the Deputy Administrator.
