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GOVERNING COUNCIL  
BUDGETARY AND FINANCE COMMITTEE  
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DRAFT REPORT OF THE  
BUDGETARY AND FINANCE COMMITTEE

Addendum

Rapporteur: Miss Myriam AL-AWADHI (Kuwait)

Attached is the draft report on agenda item 10(a): Intergovernmental Study Group on the Future Financing of the Programme.

Agenda item 10(a): Intergovernmental Study Group on the Future  
Financing of the Programme

Consideration by the Budgetary and Finance Committee

1. The Budgetary and Finance Committee had before it the report of the Intergovernmental Study Group on Future Financing of the Programme (document DP/451) which was referred to it by the Plenary for its consideration.
2. A preliminary discussion of this item took place early in the Committee's deliberations. At that time, a number of members expressed doubts about the recommendation contained in paragraph 12(f) of the report that the Study Group be reconvened. In addition, it was suggested that the question of future financing of the Programme was related to the Council's ongoing consideration of third cycle IPFs. Following this preliminary exchange of views, further consideration of the item was postponed until later in the Committee's proceedings.
3. To facilitate the Committee's further discussion of this matter, a draft decision was prepared which recognized the need for resources planning by UNDP on a more stable, continuous and predictable basis, requested the Administrator to consult, in a manner deemed appropriate, with Governments on modalities to achieve their goal and authorized him to reconvene the Study Group when appropriate.
4. The Chairman of the Committee suggested that a possible way of moving forward with this proposal would be for the Administrator to appoint a consultant to undertake technical discussions with Governments, thereby paving the way for the development of a more concrete proposal which could then possibly be considered by the Study Group.
5. Several members felt that it would be sufficient for the Administrator to undertake consultations with individual Governments regarding their future voluntary contributions to the Programme and expressed doubts about the need for the reconvening of the Study Group. In particular, it was felt that it would be difficult to achieve a system of multi-year pledging and that it would be inappropriate to make reference to any similarity with the financing arrangements for such institutions as the **International Development Association**. In addition, one member stated that it would not be possible for a study to determine the capacity of a country to contribute to the Programme. This member suggested that it was not necessarily appropriate to relate voluntary contributions to UNDP to the wealth of a country. Moreover, in many countries there were constitutional impediments to achieving a system of multi-year pledging to UNDP.

6. Other members expressed the view that the Study Group should be reconvened. These members felt that there was a continuing need to examine ways and means of obtaining sustained contributions to the Programme. One member pointed out that there was no link between the issue of the future of the Study Group and the decision on third-cycle IPFs which was under consideration by the Council. Some members who wished the Study Group to continue pointed out that there was a need for technical research into possible, improved modalities for resource mobilization, including investigations into the mechanisms used by other multilateral development institutions. These members therefore requested that the proposal contained in Annex I of document DP/451 be made a part of the decision.

7. One member proposed that the Administrator consult with Governments on the modalities for improved resources planning and that it might be possible to link these consultations with those relating to third cycle IPFs. It was suggested that the matter was one which required political rather than technical solutions.

8. Agreement was reached that the Administrator should undertake consultations with Governments in a manner deemed appropriate by him. On the basis of these consultations, the possibility of reconvening the Study Group could be considered by the Council at its next session.