The Administrator is most appreciative of the care taken by the Advisory Committee on Administrative and Budgetary Questions in carrying out a detailed and thorough review of the proposed revision of the UNDP Financial Regulations. As a result of the observations expressed by the Committee during this review, the Administrator is amending DP/552/Add.1, as indicated in the following paragraphs.

Under column entitled "Regulation":

Line 1: for 1.1-1.3
read 1.1-1.4

Line 10: for 4.1-4.4
read 4.1-4.3

The second paragraph should read:
Regulation /1.7/ 1.4: In regard to any matter not specifically covered by these Regulations/and Rules/, the appropriate provisions of the United Nations Financial Regulations/and Rules/ shall mutatis mutandis apply.

Under column entitled "Comments":

Delete second paragraph.

Under column entitled "Proposed":

(e), lines 6 and 7:

for authority or responsibility
read authority and responsibility

(f), lines 5 and 6:

for authority or responsibility
read authority and responsibility

Under column entitled "Proposed":

Insert the following new second paragraph:

(iv) "appropriation line" shall mean a subdivision of the appropriations for which a specific amount is shown in the appropriations resolution and within which the Administrator is authorized to make transfers without prior approval;

Renumber subsequent paragraph which should read:

(v) "appropriations" shall mean the total amount approved by the Governing Council for specified purposes for the current biennial budget against which obligations may be incurred for those purposes up to the amounts so approved.
Contributions associated with UNDP field offices:

The last four lines should read:

services. Contributions in cash toward field office costs shall be reflected as income in the biennial budget for UNDP.

Regulation 3.10:

Subparagraph (b) should read:

(b) Contributions shall be paid pursuant to an agreement made between the contributor and the Administrator. Such agreements shall specify that the contributions shall be paid in advance of the implementation of planned activities.

The second proposed Regulation should read:

Regulation 3.4 and 3.6: Trust funds may be established by the Governing Council or by the Administrator for specified purposes consistent with the policies, aims and activities of UNDP. Trust funds which directly or indirectly involve additional financial liability for UNDP may be established only by the Governing Council. Trust funds established by the Administrator shall be reported to the Governing Council through the Advisory Committee.
Under column entitled "Comments":

for Regulations 4.1-4.4
read Regulations 4.1-4.3

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Under column entitled "Proposed":

Delete the second paragraph (Regulation 4.3).

Under column entitled "United Nations Financial Regulations":

The second paragraph (Regulation 7.2) should be moved up to page 30, and inserted under the same column and under the paragraph regarding Regulation 6.6.

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Under column entitled "Proposed":

Line 1: for Regulation 4.4
read Regulation 4.3

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Under column entitled "Proposed":

Regulation 7.7, line 4:

for as approved,
read as approved by the Governing Council.

[Page 39]

Under column entitled "Proposed":

Proposed Regulation 7.9 should read:

Regulation 7.9: Under such limits as the Governing Council may from time to time prescribe, the Administrator is authorized to approve UNDP assistance to country, regional and interregional projects.

/...
Under column entitled "Proposed":

Proposed Regulation 7.11, line 5:

for Governments

read Governments

Proposed Regulation 8.1 should read:

Regulation 8.1: The proposed biennial budget shall cover programme support and administrative services. It shall be prepared by the Administrator and shall be related to the plan submitted for the current planning period or, should the biennium span more than one planning period, the current and the following period.

Proposed Regulation 8.4, line 2:

for the biennial budget

read the proposed biennial budget

Proposed Regulation 10.5, line 2:

for appropriations for

read appropriation lines for

Proposed Regulation 11.1 should read:

Regulation 3.11.1: There shall be established a UNDP Account to which all resources of the income to
UNDP derived from the sources specified in Article III and receivable in cash shall be credited from which allocations shall be made and against which all expenditures on behalf of UNDP shall be charged, except for income and expenditures in respect of Funds, Programmes, other entities and trust funds administered by UNDP.

Under column entitled "Proposed":

**Proposed Regulation 12.2 should read:**

Regulation 12.2: The Secretary-General may delegate to the Administrator such authority with respect to custody of funds as would facilitate the efficient and effective management of UNDP funds and such delegated authority may be accepted by the Administrator in writing.

Under column entitled "Proposed":

**Proposed Regulation 16.2:**

Line 1: for Governments read The Administrator shall ensure that Governments

Lines 5 and 6:

for shall require their auditors, to the extent feasible, to follow the read shall require their auditors to follow, to the extent feasible, the