Summary

By decision 80/38, the Governing Council requested the Administrator to prepare a new draft of the UNDP Financial Regulations which would be most appropriate for UNDP's needs, having regard, to the maximum extent possible, to ensuring conformity with the relevant United Nations Regulations. The Council further requested that the Administrator obtain the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) thereon.

The Regulations were prepared with the primary objective of meeting UNDP's requirements. However, the Administrator also considered the question of the applicability of these Regulations to other funds administered by UNDP. This question is particularly highlighted in this note.
1. At its twenty-seventh session, the Governing Council considered the question of a revision of the UNDP Financial Regulations in light of views expressed by the Administrator in his note on the subject (DP/499). In response to these observations of the Administrator, the Governing Council adopted decision 80/38 which, inter alia, reads as follows:

"2. Agrees to revise its decision taken at the twenty-fifth session, 25/24, paragraph 3, by requesting the Administrator to prepare a new draft of the UNDP financial regulations which will be most appropriate for UNDP's needs, having regard, to the maximum extent possible, to ensuring conformity with relevant United Nations regulations;

"3. Requests the Administrator to obtain the comments of ACABQ on the revised financial regulations;

"4. Requests the Administrator to provide the Council, for adoption at its twenty-eighth session, with revised financial regulations in accordance with paragraphs 2 and 3 above."

2. The primary objective of the new revision was to develop a set of Financial Regulations that would meet the long-term requirements of UNDP, including the programme and project management areas which were not sufficiently covered in the previous draft provided to the Council. The Administrator considered that, for practical administrative reasons as well as for reasons of efficiency and economy, these Regulations should also cover trust funds, as well as Funds and Programmes (e.g. the United Nations Capital Development Fund, the United Nations Revolving Fund for Natural Resources Exploration and the United Nations Volunteers Programme) established by the General Assembly and entrusted to UNDP for administration. However, whereas in certain instances the General Assembly has delegated to the Governing Council the authority to formulate Financial Regulations to govern Funds or Programmes entrusted to UNDP for administration, such delegation does not appear to exist, at least not clearly, in all applicable instances. Therefore, the Governing Council may wish to request the General Assembly to authorize it to formulate Financial Regulations in respect of all funds administered by UNDP, i.e. for those Funds and Programmes already entrusted to UNDP for administration as well as for those Funds, Programmes or other entities that the General Assembly or the Secretary-General may decide to so entrust in the future.

3. In the case of certain Funds and Programmes it was felt that the proposed Financial Regulations might not be entirely applicable because of specific provisions in their respective enabling resolutions, or other legislation governing their operations. To that extent it is envisaged that the UNDP Financial Regulations would have annexes to meet such specific needs as will be identified. Such annexes, if necessary, would be presented to the Governing Council at its twenty-ninth session and, before that, to the ACABQ for review during its fall 1981 session.

4. In response to operative paragraph 3 of Governing Council decision 80/38, the Administrator submitted, in October 1980, the proposed UNDP Financial Regulations to the ACABQ for comment.