GOVERNING COUNCIL
Twenty-eighth session
June 1981
Agenda item 5 (b)

PROGRAMME PLANNING AND PREPARATION FOR THE
THIRD PROGRAMMING CYCLE, 1982-1986

PREPARATION FOR THE THIRD PROGRAMMING CYCLE, 1982-1986

Draft decision

The Governing Council,

Mindful of the continuing urgent problems of development which are faced by peoples of developing countries, and reaffirming that the attainment of individual and collective self-reliance of the developing countries would make an important contribution to the ultimate solution of those problems,

Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order and 35/56 on the International Development Strategy for the Third United Nations Development Decade,

Taking into account the current world economic situation,

Bearing in mind the role of United Nations Development Programme in multilateral technical co-operation for the economic and social development of developing countries as defined by General Assembly resolutions 2688 (XXV) and 3405 (XXX),

Taking into account the need for achieving adequate real growth of the Programme in 1982-1986, and the prevalence of significant world-wide inflation,

Taking note with concern of the results of the consultations carried out by the Administrator in compliance with decision 80/30, which indicates that the resources available to UNDP in the third cycle, 1982-1986, may fall short of the total envisaged in decision 80/30,
Taking note also of the reports by the Administrator in documents DP/517, DP/519 and DP/565:

1. **Reaffirms** its decision 80/30 of 26 June 1980;

2. **Decides**:

   (a) **To retain**, for the purposes of forward planning, the level of resources envisaged for the third cycle in decision 80/30, which requires an assumed over-all average annual growth of voluntary contributions of 14 per cent on a cumulative basis from the level set for 1977-1981; and to request the Administrator to continue his consultations with donor countries, with a view to reaching the level envisaged for 1982-1986, and to report on the result of these consultations to the next session of the Governing Council;

   (b) **To request** all countries, and especially those with which, in conformity with decision 80/30, the Administrator has had consultations, to reconsider the magnitude of their third-cycle contributions, and to urge those donors who may lag behind in the first part of the third cycle to compensate, taking into account the level of their contributions with increased contributions in the latter part of the cycle, each nation determining its own contribution so that the over-all resources objective of decision 80/30 is achieved;

   (c) **To request**, in full conformity with decision 80/30, all countries in particular those whose previous contributions may have been below their capacity to pledge, to reconsider increasing substantially their present levels of contributions to UNDP, so as to help achieve a more balanced country pattern of resource mobilization for the Programme in 1982-1986; and

   (d) **To discuss** at its next session the report referred to in paragraph 2 (a) above with a view to deciding on ways and means of securing adequate resource mobilization for the third cycle;

3. **Further decides**:

   (a) **To confirm** the third-cycle country, intercountry and unallocated illustrative indicative planning figures (IPFs), and the illustrative magnitudes for the Programme Reserve, SIS and sectoral support, as approved by the Council in decision 80/30;

   (b) **To approve** the newly established and the revised third-cycle illustrative indicative planning figures as recommended by the Administrator in DP/519, paragraphs 37, 39, 40 and 48-49, and in DP/565; and to approve, for countries for which a recommendation on such figures has not yet been submitted to the Council, the use of second-cycle figures as illustrative third-cycle figures until the twenty-ninth session, when the Council will consider the Administrator's specific recommendations; and
(c) To request the Administrator to ensure the delivery of technical co-operation projects to the fullest extent of the 1982-1986 IPFs and other elements in the field programme as set out in DP/496, table 2, always subject to the overriding requirement of containing expenditures within the financial resources available at any given time, so as to preserve the financial integrity of the Programme; and, within these limits, to endeavour to achieve a high level of delivery in 1982;

4. Urges the Administrator to reduce the size of the administrative budget of the Programme in the third cycle and decides, in order to maximize the availability of resources for programme activities in developing countries, to establish, as general guidelines for the third cycle, that the administrative budget should not, in any case, rise, in real terms, beyond the levels approved for the 1982-1983 budget, and that any justifiable need for additional resources tied with an increase in programme delivery should be met by redeployment of staff and other facilities:

5. Requests host Governments with UNDP field offices who are in a position to do so to increase significantly their contributions towards meeting the local costs of such offices, bearing in mind the level of their contributions, and requests the Administrator to consult with Governments on this matter and to report the results of these consultations at the next session with a view, inter alia, to enabling the Governing Council to evolve guidelines within the framework of which the Administrator could consult Governments for meeting local costs of UNDP field offices;

6. Reaffirms the central funding and co-ordinating role of the Programme in the field of technical co-operation within the United Nations system in conformity with the consensus of 1970 and General Assembly resolutions 32/197, 34/202 and 35/81 and recommends to the relevant intergovernmental bodies that the need to preserve this role should be taken fully into account in the consideration of funding arrangements for technical co-operation activities, and authorizes the Administrator to provide to the interested intergovernmental bodies the information they may request in this respect on the services available within UNDP;

7. Decides provisionally, taking into account the particular position of the host country concerned, to raise the ceiling on cost-sharing activities to double the present level in the case of those financed by the IPF recipient country and to increase by 50 per cent the present limit for those financed by third parties, it being understood that existing legislation on the reimbursement of administrative and programme support costs will apply; requests the Administrator to present to the Council at its twenty-ninth session an in-depth study, prepared in consultation with host government authorities of a representative group of countries which utilize cost sharing, focusing in particular on the actual added costs resulting from cost-sharing activities within the framework of total costs of services provided by UNDP field offices in order to enable the Council to reconsider the question of cost sharing, taking into account all relevant factors including agreements already in force;
8. Decides, in order to accomplish the basic objectives of the Programme, namely promoting self-reliance and raising the living standards, technical capacity and economic and social development of the developing countries, that the following provisions shall apply to the payment and utilization of contributions:

(a) Recipient countries with a per capita gross national product of above $3,000 which make their voluntary contributions wholly or in part in their national non-convertible currencies shall, as far as possible, contribute in convertible currencies over and above the reimbursement stipulated in paragraph 6 (e) (iii) of decision 80/30;

(b) In view of the multilateral nature of the Programme, non-recipient donor countries which make their voluntary contributions wholly or partly in (their national) non-convertible currencies (shall pay) (are requested if possible to pay) a gradually increasing share of their contributions in convertible currencies (so that their contributions will be fully convertible by the year 1985);

(c) Meanwhile, entities headquartered in net donor countries which have contributed in non-convertible currencies where such currencies are accumulated and until such accumulations are used shall be reimbursed for services and equipment purchased under the Programme (only in the currency of that country) (in the currencies in which their contribution is paid): (conversely, if when utilizing a non-convertible contribution, costs are incurred in other currencies, these shall be reimbursed to UNDP in the form of a convertible share of the non-convertible contributions);

9. Decides to extend the authority of the Administrator, further to the Council's decision at its twenty-first session, to approve projects through the period 1982-1986, it being understood that such delegation would be subject to review by the Governing Council within that period if the Council so wished, and that certain categories of projects would continue to be submitted by the Administrator to the Governing Council for approval as specified in paragraphs 20 and 23 of the Consensus and amplified by the Governing Council at its thirteenth session; and

10. Endorses the Administrator's request, having regard to paragraphs 53-57 of DP/519, to apply in the current cycle an amount of up to $20 million for certain intercountry programmes, by borrowing from the 1982-1986 indicative planning figures of those programmes, it being understood that this level of borrowing will be within the amount of underspending that is expected in the total indicative planning figures in the current cycle.