

15 June 1981

PREPARATIONS FOR THE THIRD PROGRAMMING CYCLE, 1982-1986

The Governing Council,

Mindful of the continuing urgent problems of poverty facing peoples of developing countries;

Reaffirming that the ultimate solution to these problems lies in the accelerated development of self-reliant attitudes and actions in the developing countries;

Emphasizing the crucial facilitating role of the UNDP through the provision of multilateral technical co-operation designed to meet unremitting needs in this area;

Taking into account the need for achieving dynamic real growth of the Programme in 1982-1986, and the prevalence of significant worldwide inflation;

Taking into account the current economic situation in developed countries;

Taking note of reports by the Administrator, DP/517, DP/519 and DP/565;

1. Decides

(a) to maintain for the purposes of forward planning the previously established third cycle resources target of \$6.7 billion, requiring, inter alia, an over-all average annual growth of voluntary contributions of 14 per cent on a cumulative basis from the target level set for 1977-1981;

(b) to request individual donor countries to reconsider, as soon as circumstances allow, their initial informal indications of third cycle contributions as conveyed to the Administrator in the latter part of 1980,

and to urge those countries that may find it necessary during the early part of the third cycle to contribute at lower than their own determined optimum level to endeavour to compensate with further contributions in the latter part of the cycle so that the resources target of decision 80/30 may be achieved;

(c) to urge all donors, and in particular traditional major donors whose previous contributions may have been below their capacity to pledge, centrally planned economies, and capital surplus oil exporting countries, to reconsider substantially their present levels of contributions to UNDP so as to help achieve a more equitable country pattern of resource mobilization for the Programme in 1982-1986; and to reaffirm the desirability of the adoption of net contributor status as soon as possible by all IPF recipient countries in a position to do so;

(d) to reconvene, in the framework of the present decision, the Intergovernmental Study Group on Future Financing of the Programme for the purpose of its reviewing ways and means of securing the forward planning contributions targets set for 1982-1986 including the nature of further consultations that the Administrator might be requested to undertake, reconsidering the possibility of mobilizing resources on a more predictable, continuous and assured basis through the adoption of multi-year pledging and a more equitable country pattern of contributions including the utilization of the IDA negotiating process for UNDP, and examining the possibilities of non-traditional methods and sources of financing; and to request the Administrator to report the results of the Study Group's deliberations, and of such consultations as he may have had, to the Council at its next session;

2. Further decides

(a) to reaffirm 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; and the principle that, if mobilization of resources falls short of the target in 1 (a), there would be a flat across-the-board percentage reduction in each of the above figures in supersession of any criteria for the establishment of illustrative country IPFs;

(b) to approve the newly established and the revised third cycle illustrative IPFs 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 IPFs has not yet been submitted to the Council, the use of second cycle IPFs as illustrative third cycle IPFs until the twenty-ninth session when the Council will consider the Administrator's specific recommendations;

(c) to urge strongly all IPF recipient countries in a position to do so to surrender voluntarily their third cycle IPFs either wholly or in part;

(d) to request the Administrator to ensure the delivery of technical co-operation projects to the fullest extent of the 1982-1986 IPFs, etc., always subject to the overriding requirement of maintaining commitments within the financial resources actually available, 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;

3. Urges the Administrator to make every effort to exercise restraint and to control the size of the UNDP administrative budget in the third cycle so as to maximize the availability of resources for programme activities in developing countries, having regard to the need to maintain the broad array of productive developmental functions performed by the UNDP field offices that is additional to those related to activities financed from the central resources of UNDP;
  
4. Requests host Governments with UNDP field offices to make every effort to increase substantially their contributions towards meeting the costs of such offices; and requests the Administrator to consult urgently with Governments on this matter and to report progress to the next session;
  
5. Recommends to the appropriate intergovernmental bodies the proposal, designed to increase the over-all efficiency of the UN system concerned with the provision of technical co-operation, that the UNDP, including its central services at headquarters and, more particularly, its field office structure, should be charged with the administration of any new United Nations global special purpose technical co-operation funds that may be established, and authorizes the Administrator to enter into negotiations in those circumstances where UNDP is requested by intergovernmental bodies to assume the administration of funds: and urges that the activities of these new funds should be pursued in full co-operation with the executing agencies, and that to the extent possible, in accordance with General Assembly resolution 32/197, these activities should use the UNDP country programming process as a frame of reference;

6. Decides

(a) to remove the present ceiling on the amount of cost sharing activities financed by the IPF recipient country, and to double the limits presently applicable to third-party cost sharing, these changes to continue to be applied only in those cases where the purposes of the financed programmes and projects are consistent with UNDP's mandate;

(b) to require that cost sharing financing should be sufficient to meet the cost of requisite UNDP administrative and programme support services; and

(c) to request the administrator to report to the Council regularly on developments in the field of cost sharing;

7. 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 GNP 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));

8. 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
  
9. Endorses the Administrator's request, having regard to paragraphs 53-57 of DP/519, to apply in the current cycle an amount of upto \$20 million for certain intercountry programmes, by borrowing from the 1982-1986 IPFs of those programmes, it being understood that this level of borrowing will be within the amount of underspending that is expected in the total IPFs in the current cycle.

Draft Decision Submitted by GAMBIA

1. Requests the Administrator to establish a UNDP study programme, on an experimental basis, to organize on a small scale, seminars to which high level national policy makers, government representatives to international organizations, senior secretariat officials and field experts, etc. should be invited to discuss informally various aspects of technical co-operation in order to promote greater understanding of development problems and to generate new resources and ideas;

Authorizes the Administrator to earmark 2 per cent of the miscellaneous incomes of UNDP to finance this programme;

Invites member Governments, relevant international organizations and foundations to co-operate with the Administrator, in organizing the activities of this programme; and

Requests the Administrator to report to the Governing Council at its twenty-ninth session on the implementation of this decision.