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P O L I C Y

PROGRAMME PLANNING: THE THIRD PROGRAMMING CYCLE, 1982-1986

Illustrative indicative planning figures (IPFs)
and Special Programme ResourcesNote by the AdministratorSummary

The present note in part I submits to the Council for its approval certain changes in individual country IPFs required by previous decisions of the Council, and responds, in particular, to operative paragraph 3 (b) of decision 81/16.

In part II of this note, the Administrator presents relevant information on the Special Programme Resources together with proposals for their use in the third cycle.

I. INDICATIVE PLANNING FIGURES

1. The Administrator regularly presents to the Council for its consideration recommended changes in previously determined individual IPFs. The present note refers to a few final changes in second-cycle IPFs, and to a number of changes in third-cycle illustrative IPFs.
2. The achievement of independence by Antigua and Belize in 1981 has had an impact on their respective second-cycle IPFs. Following the practice approved by the Council, a bonus for newly independent status is awarded in the amount of 15 per cent of the previously established second-cycle IPF, plus \$500,000. Accordingly, the second-cycle IPFs have been increased as follows: for Antigua, from \$1.1 million to \$1.765 million; and for Belize, from \$1 million to \$1.65 million. These increases create a financing requirement of \$1.315 million against the second-cycle balance for "Future Participants, etc." Since this balance at the end of the twenty-eighth session was \$499,000, there is a resulting deficit on this item of \$816,000. It is recommended that this deficit be charged to the Programme Reserve.

3. Regarding the third cycle, at its twenty-eighth session the Council, in decision 81/16, 3 (a), confirmed the illustrative IPFs for 1982-1986 that it had approved in its previous decision, 80/30. At the same time in 81/16, 3(b), the Council approved some newly established and revised figures, and the interim use of certain second-cycle IPFs as illustrative third-cycle IPFs. The present note indicates some further changes in third-cycle illustrative IPFs for the Council's consideration.

4. It was anticipated that at the twenty-ninth session, the Administrator would submit specific recommendations for third-cycle illustrative IPFs for Democratic Kampuchea, Equatorial Guinea, Iran and Lebanon to replace interim figures; i.e., the same as those employed for the second cycle. For Iran, it is now specifically recommended, taking account of available information relevant to the construction of a GNP estimate for the country for 1978, and the criteria approved by the Council for the establishment of IPFs, that its third-cycle illustrative IPF should be \$20 million. No new financing requirement arises since this is the same amount as the interim figure. While specific recommendations cannot presently be submitted for Equatorial Guinea and Lebanon, the World Bank is actively collaborating with UNDP in obtaining the necessary statistical data needed for computing their IPFs. It has not been possible, however, to make progress on estimates of basic data for 1978 for Democratic Kampuchea. For the latter three countries, therefore, it is presently recommended that decision 81/16 concerning their interim IPFs should continue in effect.

5. Revised third-cycle illustrative IPFs are submitted for the Council's approval for the Central African Republic and for the People's Democratic Republic of Yemen, as a result of revisions approved by the World Bank in the basic data used in the calculation of their respective IPFs. As a result of new information indicating a larger than previously estimated population in the Central African Republic, the illustrative IPF is increased from \$25.5 million to \$29.5 million. As a result of a new and lower estimate of the per capita GNP of the People's Democratic Republic of Yemen, the resultant illustrative IPF for the country is increased from \$17.25 million to \$22.25 million.

6. The newly independent status of Antigua and Belize, reported above, has ramifications for the third as well as for the second IPF cycles. For Antigua, the revised second-cycle value of \$1.765 million is greater than the previous calculations of the illustrative third-cycle IPF as approved by the Council: i.e., \$1.1 million. Consequently, following the Council's decision on the application of the "floor criterion", it is now recommended to revise the third-cycle illustrative IPF for Antigua from \$1.1 million to \$1.765 million. For Belize, similarly, the revised second-cycle value of \$1.65 million is greater than the previous third-cycle approved calculation of \$1.4 million. Again, applying the "floor criterion", it is now recommended to revise the third-cycle illustrative IPF from \$1.4 million to \$1.65 million.

7. Should the Council approve the recommendations in paragraphs 5 and 6 above concerning third-cycle illustrative IPFs, there would be a total financing requirement of \$9.915 million to be met from the presently outstanding amount of \$162,374,000 available at the end of the twenty-eighth session of the Governing Council for the third-cycle unallocated IPFs, including for future participants and for IPFs to be finally specified. As a result of such approval, the amount in the latter item would be reduced to \$152,459,000.

II. SPECIAL PROGRAMME RESOURCES

8. In its decision 80/30 the Council decided that if mobilization of resources fell short of the target, based on an assumed over-all average annual growth of voluntary contributions and other programme resources of at least 14 per cent on a cumulative basis from the target level established for 1977-1981, there would be a flat across-the-board percentage reduction in the 1982-1986 IPFs of all countries in suppression of any criteria that may interfere with the share of the respective countries. It further decided that the same principle shall apply to other uses of financial resources, subject to the Administrator making a more precise estimate of the UNDP administrative budget in the light of resources that may be available.
9. The illustrative amount for the Programme Reserve, now known as Special Programme Resources, was \$83.4 million for 1982-1986. Given the Council decision on pro rata reduction, Special Programme Resources should be commensurate with expenditures being currently planned for the illustrative IPFs. The Administrator, in view of the present resource outlook, has concluded that it would be unwise, for the time being at least, to plan for an expenditure of more than 60 per cent of the illustrative IPFs for the period 1982-1986. Applying a pro rata reduction to Special Programme Resources, the amount of \$83.4 million would therefore be reduced to \$50.04 million. It follows that the Administrator should also apply a pro rata reduction to the amounts agreed to be financed from the Special Programme Resources: \$5 million for 1982-1986 for the Transport and Communications Decade in Africa (decision 80/30) is thus reduced to \$3 million; and \$1 million for TCDC promotional purposes for 1982-1983 (decision 81/32) reduced to \$0.6 million. The Council is accordingly requested to take note of the action of the Administrator.
10. In its decision 79/18 the Council authorized the Administrator to draw upon the Programme Reserve to the extent of \$3.5 million for financing projects of assistance to the Palestinian People during the second cycle. This amount has been fully committed. In view of the clear desire expressed by all concerned to continue and expand UNDP's activities, the Administrator suggests that for the entire period 1982-1986 the Council should allocate \$4.0 million from Special Programme Resources to carry on these activities, on the understanding that any resources required in addition to this amount would have to come from special contributions of Governments for the specific purpose of supporting this programme.
11. The Administrator would here also like to draw the Council's attention to document DP/1982/12, Progress Report on Pre-investment Activities, which seeks authorization of the Council to approve a fund of \$1 million from Special Programme Resources to finance investment feasibility studies during the third-cycle, 1982-1986.
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