

**United Nations
Development Programme**Distr.
GENERALDP/1982/52
8 April 1982

ORIGINAL: ENGLISH

GOVERNING COUNCIL
Twenty-ninth session
June 1982, Geneva
Agenda item 7(c)(i)

S U P P O R T

**PROGRAMME SUPPORT AND ADMINISTRATIVE SERVICES BUDGET, 1982-1983
HEADQUARTERS STAFFING AND FIELD ESTABLISHMENT SURVEYS****Report of the Administrator****Summary**

The in-depth review of the staffing of UNDP both at headquarters and in the field was completed in February 1982. Taking into account the resources outlook as currently perceived, the Administrator has been obliged to reduce the number of budgeted posts or "core" staff by 323 or 7.8 per cent compared with those contained in DP/548 which was considered by the Governing Council at its twenty-eighth session. In addition, certain organizational changes have been made and others are under consideration.

The review revealed the extent to which UNDP is performing work for others. Consequently, UNDP has entered into negotiation with Governments and executing agencies with a view to obtain payment for services rendered on their behalf. Such payments will in some cases provide for extra-budgetary staff and in other cases provide an enhanced source of income to the biennial budgets.

The Administrator is confident that with the revised staffing establishment, UNDP will be able to maintain the kind and quality of services which it has customarily provided and retain the potential to enhance the level and nature of its activities as soon as the resources available to it resume their upward trend.

INTRODUCTION

1. In introducing the budget estimates for the biennium 1980-1981 to the Budgetary and Finance Committee of the twenty-sixth session of the Governing Council, the Administrator stated that he had received requests for a substantial increase in the number of professional and other posts in UNDP headquarters and the field. He proposed at that time that the staffing remain at substantially the same level as in 1979 pending a study of headquarters and representative field offices. The study was to assess not only actual workloads, but also whether the work being done must be done, whether it could be done more efficiently and whether it might be better done elsewhere.
2. It was decided to conduct the study in two parts. The first related to a desk-to-desk survey at headquarters. Because of the close interrelationship between headquarters and field activities, this part of the study also collected information on how field offices perceive the functions and role of headquarters in support of field activities. The second part of the study was to survey the workload and staffing in representative field offices.
3. In a note (DP 476) to the Governing Council at its twenty-seventh session in June 1980, the Administrator informed the Council of the status of the staffing review and proposed to report to it at its twenty-eighth session on the surveys in both headquarters and the field, together with his own recommendations on staffing levels and other matters. The Governing Council took note of the information provided by the Administrator in DP 476 and decided that the conclusions and recommendations of the Administrator with respect to the headquarters staffing survey and of the survey of the field establishment should be submitted to the Council at its twenty-ninth session together with amendments or revisions, in simplified form, to the biennial budget (formerly known as the programme support costs and administrative services costs budgets) for the biennium 1982-1983.

I. DECISIONS ON STAFFING

4. The Administrator's decisions on staffing, based on the exhaustive review of the subject, are reflected in the revised biennial budget for 1982-1983 (DP/1982/53) with details given in tables 8, 9 and 10 and annex II. They represent a reduction of 323 in the number of budgeted posts or of 7.8 per cent for the organization as a whole compared with those contained in DP/548 which was considered by the Governing Council at its twenty-eighth session. The reduction in budgeted posts at headquarters amounts to 9.7 per cent and for field offices 7.5 per cent. Internationally recruited staff posts are reduced by 7.9 per cent and locally recruited staff posts by 7.8 per cent. (All these comparisons exclude the staff of the United Nations Volunteers programme, which is considered sui generis, as well as United Nations Capital Development Fund, Office of Project Execution, Inter-Agency Procurement Services Unit, United Nations Revolving Fund for Natural Resources Exploration and United Nations Sudano-Sahelian Office which finance their own administrative expenditure).

/...

5. The reductions in headquarters amount to 20 international posts and 36 General Service posts compared with those in DP/548. These reductions are spread throughout the main organizational units and reflect the consolidation of the resource mobilization effort, the change of modes of operation in TCDC activities, the reduced level of resources for programming, and the first fruits of the computerization and rationalization of finance and administration. The resulting distribution of staff among the organizational units given in DP/1982/53.

6. In addition to the revised "core"^{1/} staff requirements for headquarters, which total 202 internationally recruited posts and 316 locally recruited posts, 27 internationally recruited posts and 38 locally recruited posts have been identified to be financed from extra-budgetary sources based on current assumptions about the level of services to be provided for non-core activities. Comparable figures for extra-budgetary staff in DP 548 were 23 and 31 respectively. The reason for this small increase in extrabudgetary staff at headquarters is given below in paragraphs 33 and 49.

7. At the country level, the reductions total 37 international posts and 230 locally recruited posts. The relative reduction in third cycle IPFs for the Arab States and Latin American regions was taken fully into account in DP/548 so that the reduced number of "core" posts in the revised budget reflects principally the downward revision of the volume of programme resources expected to be available to all countries in the near future. It may be noted that special attention was paid and priority given to the staffing needs of the least developed countries.

8. In addition to the revised "core" staff requirements for country offices which total 464 internationally recruited posts and 2,834 locally recruited posts, 17 internationally recruited posts and 156 locally recruited posts have been identified to be financed from extra-budgetary sources based on current assumptions about cost-sharing and agencies' funds-in-trust. The numbers of extra-budgetary field posts identified in DP 548 were 18 and 199 respectively. Table 1 shows comparative staffing levels for core and extra-budgetary staff in 1980-1981, and in 1982-1983 for both the original and revised budgets.

9. When considering the staffing reductions it must be borne in mind first, that the reduction is spread among 114 offices, and second, as explained below, that it is logical that the impact of declining real programme resources should be felt primarily on those organizational units whose workload is directly linked to the level of those resources. By the same logic, these units should be the first to be strengthened when the resource position improves.

^{1/} For a definition of "core" and "non-core" see paragraph 28 below.

Table 1
UNDP STAFFING CHANGES

Administrative and extra-budgetary

		Approved 1980/81 DP/396 DP550		1982/83 DP/548		1982/83 revised DP/1982/53		Change between DP/548 and DP/1982/53	
		<u>Int '1</u>	<u>GS/Local</u>	<u>Int '1</u>	<u>GS/local</u>	<u>Int '1</u>	<u>GS/Local</u>	<u>Int 'L</u>	<u>GS/Local</u>
UNDP hqtrs.		222 <u>a/</u>	349 <u>a/</u>	222 <u>a/</u>	352 <u>a/b/</u>	202	316	-20	-36
UNDP field offices		497 <u>a/</u>	3069 <u>a/</u>	501 <u>a/b/</u>	3064 <u>a/b/c/</u>	464	2834	-37	-230
Total		719	3418	723	3416	666	3150	-57	-266
UNV		17	24	19	28	18	28	-1	-0
UNCDF		15	14	15	14	14 <u>d</u>	14 <u>d/</u>	-1	-0
Extra-budgetary:									
Hqrs. ^{e/}		14	24	23	31	27	38	+4	+7
Field offices		-	-	18	199	17	156	-1	-43
Total Extra-budgetary		14	24	41	230	44	194	+3	-36
Grand total		765	3480	798	3688	742	3386	-56	-302

a/ Includes provision for Regional Information Officers (3 Prof. and 1 G.S.) as part of Division of Information, Headquarters. These posts were included under field international and field local posts in DP/396, DP/550 and DP/548.

b/ Includes one new post each in ECU and BPPE which were approved in 1982/83 and one G.S. in support of Regional Information Officers redeployed from the field.

c/ Reflects adjustment of 4 FSL posts provided under "Staff awaiting reassignment" from "Field local staff" category to "Field international staff" category.

d/ Financed from CDF resources following General Assembly resolution 36/196.

e/ Excluding staff funded for IAPSU - 4 Prof. and 5 G.S. in 1980-81, 6 Prof and 7 G.S. in 1982-83 provision (DP/548) and 5 Prof and 4 G.S. in 1982-83 revised staffing.

10. The Administrator has given his personal assurance to staff that reductions in the staffing strength of UNDP will be dealt with in as open and as humane a manner as possible, due regard being given to the interests of both the individual and the organization. To facilitate this, a recruitment freeze was instituted in July 1981 which will remain in force at least until August 1982 subject to prior commitments and any exceptional needs. As a result, the proposed reduction in the number of established posts should not pose insuperable problems since the number of persons in post at end March 1982 is below the number of posts in the provisional budget for 1982-1983. However, in several cases, however, separation of staff will be unavoidable; and for this purpose the Governing Council in decision 81/28, approved an appropriation of \$2.5 million for transitional measures. In addition, the Administrator is requesting a provision in the revised biennial budget for funds to be available to meet the requirements of phased implementation of staff reductions during the remainder of the 1982-1983 biennium, so that hardships may be kept to a minimum.

11. The Administrator will be intensifying efforts to obtain new and enhanced contributions from Governments and agencies towards costs directly attributable to cost sharing and funds-in-trust. To the extent that these efforts are successful, the financing of some posts at the country level will be shifted from the biennial budget to extra-budgetary funds as identified in paragraph 8 above.

12. The revised biennial budget for 1982-1983 reflects the entire proposed reduction in established posts. The Administrator, however, trusting that the UNDP general resource position will improve during the remaining months of the biennium, proposes in paragraph 35 below a mechanism which would permit UNDP to respond quickly and flexibly to any increase in resources which may occur.

13. The staffing level which has emerged from the lengthy and exhaustive review process is the minimum which the Administrator holds to be consistent with the maintenance of UNDP as an effective instrument to further the development process in the Member States it serves. The reduced staffing establishment now recommended to the Governing Council - together with other reductions in the budget not related to staffing and after making allowance for a strengthened dollar and continued inflation - results in a revised biennial budget for 1982-1983 which meets fully the requirement of the Governing Council to reduce the size of the administrative budget of the Programme in the third cycle.

14. The Administrator is confident that with the revised staffing establishment, UNDP will be able to maintain the kind and quality of services which it has customarily provided and retain the potential to expand the level and nature of its activities as soon as the resources available to it resume their upward trend.

II. ORGANIZATIONAL CHANGES

15. As mentioned in the Introduction, one of the mandates of the headquarters survey was to assess whether certain functions might be more appropriately located elsewhere. As a result, some tasks have been transferred from headquarters to the field. In addition, the Administrator has decided that certain tasks carried out at headquarters should be administratively relocated.

16. The Resources Office will be attached to the Office of the Administrator. It will thus be brought closer to the Executive Office, the Division of External Relations and the Division of Information, all of which are heavily involved in resource mobilization the importance of which cannot be over-emphasized at this time. The IPF calculation function presently in the Resources Office will be transferred to the Planning and Co-ordination Office, also attached to the Office of the Administrator.

17. The TCDC Unit, established to promote technical co-operation between developing countries, was initially attached to the Office of the Administrator. The concept of TCDC has now been successfully translated into the concrete reality of a good number of projects and other activities and the Regional Bureaux have become fully involved in the process. The Administrator has decided that the focus of the TCDC Unit should henceforth be on the conceptual and policy aspects of TCDC, with operational aspects becoming the responsibility of the Regional Bureaux. Accordingly, he has decided that the Unit will be attached administratively to the Bureau for Programme Policy and Evaluation while maintaining its direct access to the Office of the Administrator.

18. The Management Review and Analysis Section and the Internal Audit Service, in view of their common concern with the efficiency and accountability of the organization, will be merged into a Division of Audit and Management Review within the Bureau for Finance and Administration.

19. The Administrator proposes to redeploy two D-2 level posts (one each in the Regional Bureaux for Arab States and Latin America) to provide for posts of Deputies to the Assistant Administrators so as to bring these Bureaux in line with the other two Regional Bureaux for Africa and for Asia and the Pacific.

20. Having considered the recommendations of the headquarters survey and a of further study on the subject, the Administrator decided to transfer the Inter-Agency Procurement Services Unit (IAPSU) from New York to Geneva with effect from 1 January 1982. The Division for Programme Support and Co-ordination of the Bureau for Special Activities has been abolished; IAPSU now reports directly to the Bureau Director in New York while depending administratively on UNDP's Geneva Office. The move has brought IAPSU closer to the procurement agencies and other institutions with which it is most concerned and has also resulted in a reduction in the number of staff.

/...

21. In addition to these changes on which decisions have been taken, the staffing review threw into relief three other areas in which improved co-ordination and integration is indicated.

22. The first of these areas relates to the United Nations Sudano-Sahelian Office (UNSO). Because of its special mandate and reporting responsibilities directly to the General Assembly, the UNSO is attached to the Office of the Administrator. There are obvious points of common concern to UNSO and to other organizational units in UNDP such as the Regional Bureau for Africa both with regard to the latter's country-specific as well as to its regionally-oriented programmes. The Administrator proposes to take action to improve the harmonization and coordination of the activities of UNSO with other organizational units.

23. The second area relates to the special-purpose funds entrusted to the Administrator by the General Assembly and the Governing Council. Apart from the Special Measures Fund for Least-Developed Countries and the Special Fund for Land-locked Developing Countries whose resources are allocated by the Planning and Co-ordination Office and programmed by the Regional Bureaux, the other funds-principally the United Nations Capital Development Fund, the United Nations Revolving Fund for Natural Resources and the United Nations Volunteers Programme - are attached to the Bureau for Special Activities, each with a separate secretariat. The Administrator has instructed that every effort should be made to further enhance the integration of these funds fully with UNDP's main programme and administrative activities so that, notwithstanding the separate identity of these funds, the desirable co-ordination and integration of the policies, programming, execution, administration and reporting of these funds with UNDP main programme activities may be achieved. To reinforce this, the Administrator has proposed that the Assistant Administrator, Bureau for Special Activities, should no longer be financed from the agency support costs provision within general resources, but should instead be financed from the biennial budget.

24. The third area relates to UNDP technical and sectoral capacity. This has historically been located in the Bureau for Programme Policy and Evaluation, although in recent years other organizational units - notably the UNDCF - have acquired technical personnel. This area raises two issues: first, whether or not UNDP should have a technical and sectoral capacity; and second, if it should, where should it be located and how should it be financed. The Administrator is convinced that to ensure the quality of the programmes delivered, and hence an important part of his accountability; to be able to hold informed, substantive dialogues with partners in Government and in agencies; and to play its part in the general dialogue on the development process - which is universally recognized as complex and multi-disciplined - UNDP needs to maintain within its establishment a small group of persons with

qualifications and experience in the major broad-based economic sectors. This being so, there are obvious advantages in having these persons grouped together administratively and physically to stimulate the interdisciplinary nature of much of their work and to make them available to the entire secretariat rather than to one or a few organizational units. Regarding the financing of this group, the Administrator believes that the core group should be financed from the biennial budget. However, he proposes that additional posts should be provided in those areas of specialization which experience has shown to be frequently in demand in connexion with such programming and project activities as planned evaluation and trouble-shooting. These additional posts would be financed partly from the biennial budget and partly from the consultancy budget line of individual projects. The Administrator has instructed that the consultancies commissioned by UNDP during the past five years as well as the new country programmes be reviewed and that recommendations be made for the broad areas which might be more effectively and economically covered by staff members rather than by consultants.

25. For one subject, energy, which illustrates the multidisciplinary nature of many development issues, the Administrator has decided to establish an Energy Office in recognition of the peculiar significance of energy for virtually all developing countries. The new unit will be attached administratively to the Bureau for Programme Policy and Evaluation but will report to the Deputy Administrator and will be staffed partly by redeploying existing personnel in that Bureau and by appointing consultants financed from the Energy Account.

26. All the organizational changes referred to above are taken into account in the numbers of staff referred to earlier in this document and charged to the Biennial Budget.

III. PROCEDURES, METHODOLOGY AND ASSUMPTIONS

27. The field survey was completed in 1981 and its findings, conclusions and recommendations were subsequently consolidated into a single report containing recommendations on the numbers of staff which should be established for the various organizational units within UNDP both at headquarters and in the field, as well as on a large number of other measures designed to improve the efficiency and effectiveness of the organization in its use of staff resources. UNDP's Executive Management Committee (EMC) established a Sub-Committee, chaired by the Deputy Administrator, to review the findings and recommendations of the consolidated report, to obtain the views of the organizational units regarding the report's recommendations, to ensure that no major elements were overlooked; and, notably, to ensure that the concerns of the Governing Council were taken into account. The conclusions of this Sub-Committee were then submitted to the Administrator and copied to the UNDP

Staff Council. (Representatives of the Staff Council were present as observers in all the meetings of the Sub-Committee). After assessing the conclusions of the EMC Sub-Committee and having heard the Staff Council's views thereon, the Administrator decided upon the set of recommendations for "core" staff which are presented in this document and which are reflected in the revised biennial budget estimates for 1982-1983 (DP/1982/53).

28. The revised biennial budget for 1982-1983, as did the original budget contained in DP 548, excludes from the regular establishment those posts needed to administer such non-UNDP funded activities as, principally, projects financed by cost sharing and agencies' funds-in-trust. It provides for "core" staff only, "core" staff being defined as those needed to handle IPF fund activities and up to 25 per cent of IPFs in the form of cost sharing. Staff required to handle funds in excess of these amounts have also been estimated: for headquarters estimates were based largely on assumptions about future levels of services for non-core activities, and for field offices on assumptions about future levels of cost sharing and funds-in-trust.

29. The surveys of the headquarters and field staffing, the in-depth review undertaken by the EMC Sub-Committee and a separate but related study of the work carried out by the UNDP in connexion with the provision at headquarters of support to non-core activities (special funds administered by UNDP), all these together represent the most thorough analysis yet made of UNDP staffing, both in terms of the present numbers and deployment of personnel and of likely future needs.

30. The headquarters survey was based on a series of intensive interviews aimed at pinpointing areas where greater efficiency might be obtained from a more rational use of personnel through streamlining functions, eliminating possible spare workload capacity and through redeployment of staff where appropriate. Although workload measurement was undertaken in the headquarters staffing survey and particularly for the Bureau for Finance and Administration study, considerable reliance was placed on the judgement of the survey team. The BFA study used the same methodology as agreed between the Administrator and the Secretary-General in determining the level of reimbursement by UNDP to the United Nations. This methodology was accepted by the General Assembly on the recommendation of the ACABQ. The survey of the field establishment on the other hand, started from a statistical calculation of staffing needs based on three dominant variables: programme size and mix, country infrastructure problems, and workload units. The results were subsequently adjusted in the light of replies to questionnaires on staffing received from field offices, a clustering of field offices by broad types around the 24 visited by Field Visiting Teams and finally inter-office comparisons. The subsequent in-depth review by the EMC Sub-Committee found that, with few exceptions, the findings and recommendations of the consolidated report were close to the individual

units' perceptions of their staffing needs. Where a divergence was detected, the EMC Sub-Committee, after reviewing all aspects of the case in point, made its own recommendations to the Administrator.

31. The recommendations on staffing of UNDP seek to satisfy three major objectives: the cost-effective deployment of personnel in the existing establishment, the appropriate apportionment to non-core activities of costs incurred thereon by UNDP, and the provision of staffing sufficient in numbers and appropriate in deployment to meet the likely future demands which will be made upon UNDP.

32. The cost-effective deployment of personnel must be based essentially on the judgement of UNDP managers after applying whatever objective workload criteria are available and tempering the results according to the particular circumstances which prevail in certain instances. This is essentially the process outlined briefly above.

33. UNDP has received some reimbursement for costs incurred on behalf of non-core activities, but this has not been commensurate with the full costs incurred. The study of services provided by BFA to non-core activities has resulted in a substantial increase in the level of reimbursements to UNDP during the current biennium and justified the transfer of certain posts from the biennial budget to extra-budgetary financing. Reimbursement of or contributions towards costs incurred by UNDP in the field in relation to non-IPF funds will be the subject of negotiations during the coming months with recipient Governments and specialized agencies.

34. As for the future demands which will be made on UNDP, the Administrator has made certain assumptions about the likely future level of resources and has been guided by his own perceptions of UNDP's future role and activities.

35. The Governing Council established a desirable level of resources for the third cycle (Governing Council decisions 80/30 and 81/16). However, the last two Pledging Conferences, held in November 1980 and 1981 have produced resources substantially lower than those planned for. On the basis of the evidence now available to him, the Administrator cannot responsibly or prudently predict programme levels for the third cycle in excess of 60 per cent of the illustrative IPFs established in 1980. While deeply regretting this shortfall compared with the Council's target for resources, and pledging his best and most vigorous efforts to rectify the situation, the Administrator feels that it would be inappropriate to maintain a staffing establishment capable of delivering the original planned figure, for this would mean the diversion of a substantial sum from the limited resources available for programme delivery. The staffing recommendations are calculated to deliver 60 per cent of the total programme resources originally foreseen for the third

cycle, plus cost sharing up to 25 per cent of individual IPFs. Sensitivity analysis has shown, however, that up to 80 per cent of the original planned programme could be delivered with not more than a marginal increase in the total staffing proposed. Beyond the 80 per cent mark, additional staffing requirements would be required. In order to enable UNDP to respond quickly and flexibly to an increase in programme resources above the present level, the Administrator is seeking the authority of the Governing Council to reinstate up to 40 per cent of the relinquished posts (due regard being given to grade-mix). Of this 40 per cent, no more than one half would be accounted for by the marginal increase in total staffing needed to handle a rise in resources from the present level of 60 per cent to 80 per cent of the original planned programme.

36. There has been a perceptible change in UNDP's role in recent years from that of a source of technical co-operation to that of development service, working in full collaboration with its partners in the specialized agencies. The cost-sharing funds entrusted to UNDP as well as the growing collaboration in the form of multi/bilateral arrangements and the development of government execution all point in this direction. This changing role has obvious implications for the staffing of UNDP. Similarly, UNDP has been increasingly called upon to provide services to other organizations in the United Nations. An important category of non-UNDP funded activity in some countries is constituted by projects financed by specialized agencies' funds-in-trust, many of which are largely or partly implemented using the facilities of the UNDP field establishment. Although the field survey was not able to measure the impact of the workload on Resident Representatives (and their staffs) resulting from their designation as Resident Coordinators, it is expected that such an impact will be felt in the future. The Administrator's perceptions and proposals for UNDP's future role and structure are presented in DP/1982/5. In the context of this staffing review, the Administrator believes that UNDP and particularly the field offices should be staffed so as to allow the Programme to continue and potentially to strengthen its role as a development service available globally and providing its partners in the United Nations system with the logistical and other services they require at the country level. The financing of some of these services is discussed below and also in DP/1982/35.

37. The Administrator is satisfied that his recommendations are founded on an exhaustive and balanced examination of the existing staffing of UNDP and on a realistic perception of the future needs of the Programme for the duration of the third programming cycle, 1982-1986.

IV. GENERAL CONSIDERATIONS

38. When the provisional Biennial Budget for 1982-1983 (DP/548) was under preparation, the results of the November 1980 Pledging Conference were known.

/...

It was clear that the resources available for programming in 1981 would be less than those in 1980. On the other hand, on the basis of budgets already approved, delivery of assistance was estimated to reach a record level in 1981; this indeed proved to be correct. It was hoped that the decline in the growth of pledges for 1981 was a temporary phenomenon; in any case, the estimated record delivery level precluded consideration of any staff reductions in that year.

39. In November 1981, the results and indications of the Pledging Conference revealed that the growth of UNDP resources had again not regained its former rate. Moreover, as a direct consequence of the decline in the growth of resources in 1981, delivery of assistance in 1982 had to be substantially reduced in the interest of financial prudence. It was thus clear that if the existing staffing establishment were maintained to programme and deliver a reduced volume of resources, the costs of the establishment, particularly when inflation were taken into account, would represent an undesirable percentage of UNDP's total resources. Thus, in the Administrator's view, some reduction in the established staffing strength could not be avoided.

40. In approaching the difficult task of reducing UNDP's budgeted establishment, the Administrator has been able to draw heavily on the findings of the staffing reviews, a fortuitous coincidence since the decline in real resources available for programming was not foreseen when the surveys were commissioned. The Administrator has also been very conscious of the concern voiced by the Governing Council, as well as by UNDP's own staff, that the capability of the country office network should not be adversely affected by staffing changes and that, where possible, their capabilities should be strengthened. For some time, delegation of authority from headquarters to the country level has been pursued, first for programming matters and more recently for administrative and financial matters. Indeed many of the steps taken on the administrative and financial side - for example, handling of personnel actions, procurement of equipment, etc - stem directly from the headquarters survey. While the process will be pursued whenever a possibility is identified, the scope for further decentralization is now limited since the Administrator's accountability must be fully respected.

41. In order to ensure the effective decentralization of authority to the country level, it is important that headquarters should contribute to the effective performance of country offices through the provision of good and timely services and advice on programming, monitoring and administrative matters. Thus, to provide these logistical and advisory services, a minimum number of headquarters staff is essential, whose workload is largely independent of the level of resources available to the organization.

42. Field offices, with the back-stopping of the Regional Bureaux, are principally concerned with the programming and monitoring of the

implementation of technical co-operation, the volume of which is directly related to the resources contributed by member Governments. A certain minimum number of staff is required for a field office and a Regional Bureau to be able to function. Staffing above the level of this functional minimum is closely related to the level of resources handled and, while the staffing levels cannot be adjusted each year to the changing flow of resources, significant trends in resource flow will have a direct impact on the staffing needed.

43. In short, if the integrity of UNDP's role and functions is to be preserved during a period of declining real resources, it is logical that any staff reduction should fall largely on the units whose workload depends directly on the level of resources at UNDP's disposal. By the same token, if the level of resources expands towards the target set by the Governing Council requiring additional staff, it would follow that this additional staff would go largely to those same units.

44. The staffing proposals for country offices were made on the assumption that all existing offices will be maintained. UNDP's development service role is expected to assume increasing significance in the coming years and the maintenance of UNDP's country office network is fully justified for that purpose alone. Another factor necessitating the maintenance of UNDP's office network is the Resident Co-ordinator role being assumed by an increasing number of Resident Representatives serving not only UNDP but the Secretary-General and the entire United Nations system.

45. In arriving at the staffing for individual field offices, certain points of principle were followed. With few exceptions, posts for a Resident Representative and a Deputy have been provided even when the office establishment is small. In the absence of a Resident Representative, it is essential that the person heading the office should have the necessary authority and status to represent the organization in its relations with the Government and its partners in the United Nations system. This necessity has been heightened by the designation of many Resident Representatives as Resident Co-ordinators.

46. Another principle which has been followed whenever possible is the increased use of national personnel in field offices. In those countries where persons with the appropriate education and/or experience are available, provision has been made for them to replace internationally recruited staff members over time, at least up to the level of Assistant Resident Representative. In this respect, increased attention will be paid to the training of national staff both at the level of the individual office and at the regional or sub-regional levels. One effect of the policy of encouraging the use of senior national staff may be a reduction in the number of Junior Professional Officers (JPOs) assigned to certain countries. In the course of

the review of the staffing surveys, it emerged clearly that the substitution of internationally recruited staff by locally recruited staff in country offices has been an ongoing process for a number of years ; some 90 per cent of the increase in UNDP's budgeted establishment over the past decade has been accounted for by locally recruited field staff.

47. The Administrator intends, in the interest of increased self-reliance and financial economy, to pursue the policy of replacing internationally recruited staff with locally recruited staff whenever this is consistent with efficiency and accountability. He also intends to ensure that to the extent possible a balanced mix of professional grades is maintained. The present reduction in headquarters professional posts will not contribute to an upward shift in the distribution of grades at headquarters, the reductions being well distributed among all grades. Moreover, posts at the higher grade levels relinquished at headquarters will be redeployed to country offices within the limits of established posts, special attention being paid to offices located in LDCs which, the Administrator believes, should be staffed with the most qualified and experienced of UNDP staff members.

48. The examination of the existing organizational structure and related staffing of UNDP threw into relief the new tasks and functions and additional responsibilities taken over by UNDP during the decade 1971-1980. For example, the mandates for TCDC and UNSO, the Water Decade, LDCs, energy, the creation of the Office for Projects Execution and the new special funds for which the Administrator is responsible, the taking over from the United Nations of certain financial and administrative tasks, such as treasury, accounting and certain printing and procurement activities, all have imposed an extra burden on UNDP's headquarters and field network. During the same period, the number of field offices grew from 93 to 114. Two more major factors, alluded to earlier, which have had a measurable impact on UNDP's workload, particularly at the country level, have been the introduction of cost sharing and the growth of agencies' funds-in-trust. When all these elements are added to the enhanced IPF programme resources which have been administered over the decade, the full extent of the workload which UNDP staff is called upon to bear becomes apparent. Despite this dramatic increase in tasks and responsibilities, the number of budgeted international posts increased by only 5 per cent over the decade. (This calculation excludes the staff assigned to OPE, to the secretariats of the special funds each of which is financed by its own resources, and to the UNV, which is considered *sui generis*). As mentioned already, the growth in UNDP's staff during this period is accounted for largely by the locally recruited and General Service staff which increased by 49 per cent (54 per cent in country offices and 20 per cent at headquarters).

49. Until recently some of the costs of the new functions and activities assumed by the Administrator were financed by UNDP's budget. In the case of OPE, the major special funds under the Administrator's authority, and UNFPA,

UNDP has been reimbursed for certain administrative, financial and personnel services rendered on their behalf by the BFA. To improve the basis for calculation of reimbursement, a study was undertaken in accordance with the methodology described by the Secretary-General in a report to the General Assembly (A/C.5/34/21), reviewed and endorsed by the ACABQ (A/35/7/Add.2) and subsequently approved by the General Assembly at its thirty-fifth session. The study revealed that for the biennium 1982-1983 the level of reimbursement is increased significantly from the level foreseen in DP/548 enabling the transfer of a number of posts from the biennial budget to extra-budgetary financing. The non-core activities concerned have agreed to the revised reimbursement levels. The Administrator is pleased to report to the Governing Council that the reimbursement of expenditure incurred by UNDP at headquarters for non-core activities has now been established on a sound basis.

50. The situation with regard to other sources of funds remains less than satisfactory. This is especially true of cost sharing and non-UNDP funded activities. The Governing Council has taken the position that the extra costs attributable to cost sharing should be met from sources other than UNDP's general resources. Specifically, it decided that the extra costs attributable to cost-sharing in excess of the equivalent of 25 per cent of a country's IPF should be met by the participating country.

51. The Administrator believes that the time has come to place the financing of the diverse non-UNDP funded activities executed through UNDP field offices on a more rational and equitable basis. The Administrator intends to embark on a series of high level negotiations with UNDP's partners in the executing agencies and in the Governments. The objective of these negotiations will be to reach agreement on the roles to be played by each partner in the development assistance process, and on the contributions to be made by these partners towards the cost of discrete services provided for them by UNDP. For example, there are certain UNDP branch offices concerned principally with transportation and shipping matters which are currently financed entirely by UNDP although a substantial percentage of their workload is for the benefit of other United Nations organizations. Moreover, these functions would normally be handled by government agencies. In many main field offices, the handling of fellowships and procurement for agencies consumes a great deal of time and resources.

52. The negotiations with the Governments will focus principally on their obligations under the Basic Agreement with UNDP to provide specified services and facilities, and on contributions towards local office costs which vary widely and frequently bear little relation either to the volume of resources handled or to the ability of the country (in terms of GNP/per capita) to pay. Closely related to this topic is the question of participating Governments' contributions to defray the extra costs arising from cost sharing. It will be appreciated, however, that these negotiations will take time and that the results, even if positive, will not be felt fully before the next biennial budget.

/...

53. Negotiations with the executing agencies will concentrate on pinpointing those activities which UNDP carries out on behalf of the agencies and for which, under present arrangements, it is not reimbursed. Data collected in connexion with the field survey indicated that on average 33.8 per cent of UNDP field office staff time was spent on activities on behalf of other organizations of the United Nations system: of this percentage one third or 12.6 per cent of total field office staff time was devoted to activities totally unrelated to projects financed by UNDP or by other funds for which the Administrator is responsible. Where possible, UNDP will endeavour to obtain the agencies' agreement to pay for services rendered. In other cases, UNDP will endeavour to enlist agencies' support to persuade host Governments to increase their contributions to UNDP's local office costs pointing out to Governments that the marginal cost of handling agencies' interests in UNDP's offices is substantially less than the cost of establishing an office for each agency or even clusters of agencies.