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GOVERNING COUNCIL

BUDGETARY AND FINANCE COMMITTEE

Twenty-ninth session
June 1982

REPORT OF THE BUDGETARY AND FINANCE COMMITTEE

Rapporteur: Mr. Finn Norman Christensen (Denmark)

Chapter IX

OTHER MATTERS: FISHERIES VESSELS POOL

IX. FISHERIES VESSELS POOL

1. For its consideration of agenda item 7(h) of the Council's agenda, the Committee had before it a note by the Administrator concerning the fisheries vessels pool (DP/1982/62).

2. In introducing this subject, the Deputy Director, Division of Finance, referred to the extensive review of this matter which had taken place at the twenty-eighth session of the Council. He said that the present report was the result of a further review, carried out jointly by UNDP and FAO, of the needs of the pool for vessels and of the most effective ways of satisfying those needs. He explained that new information on the potential availability of fisheries vessels in several countries, combined with the more restrictive financial climate now governing UNDP operations, had made it desirable to modify the plans for providing vessel services to proportions which the Administrator considered to be realistic in terms of recipient countries' requirements and which were financially feasible in terms of estimated costs. The Deputy Director referred, in particular, to the fact that survey and research vessels were available in both developed and developing countries which could be suitable for the UNDP/FAO programme and that some of these vessels were under-utilized. It was the intention of UNDP and FAO to study the subject in detail in order to develop a co-operative programme with those countries for the utilization of such vessels. It had been determined that some vessels in the pool which were becoming uneconomical to maintain would be phased out in the next three to four years, while five of the better vessels would be refitted. The total cost of refitting these five would amount to some \$1.8 million, part of which would be paid from the proceeds of the sale of some vessels.

3. The FAO representative who manages the fisheries vessel fleet provided more information on how the study on the establishment of the co-operative programme would be carried out. He reiterated that the combined scheme of using vessels under the planned co-operative programme and refitting some of the vessels in the pool would

provide the required services to developing countries at a reasonable cost. He explained that the previously considered alternative, namely, the outright purchase of vessels, would have resulted in such high charges for maintenance and depreciation as to have made the cost to most developing countries prohibitive. Such a situation would apply even if non-convertible currencies were to be used for the purchase of vessels.

Summary of the discussion in the Committee

4. Most members expressed appreciation to UNDP and to FAO for providing the detailed information contained in document DP/1982/62 and for the additional explanation regarding future plans for the pool. They considered that the proposals submitted were an excellent alternative to the purchase of vessels and that the combination of researching the market for the purpose of entering into co-operative agreements with countries possessing vessels and of refitting some of the existing vessels presented a very attractive alternative which developing countries could afford and which therefore should be adopted. One member questioned the reasons that led UNDP to drop the plans for the purchasing of vessels with non-convertible currency and expressed the view that non-technical considerations had led to this. He could not understand how negotiations which had continued for three years for the purchase of vessels from countries with non-convertible currencies which had accumulated in UNDP had suddenly been dropped in favour of another, less attractive alternative. He further stated that the refitting of vessels was not a good alternative in his judgement and should not be encouraged.

Response of the Administration

5. In his response, the representative of FAO reiterated that the condition of the vessels which were scheduled for refitting was sufficiently good to make such refitting worthwhile and expressed the view that these vessels could provide adequate service for a number of years following refitting.

6. The Deputy Director, Division of Finance, explained that in view of the extremely high depreciation and maintenance costs of new vessels, potential recipient countries had been consulted, as part of the further review by UNDP and FAO, as to whether they would be willing to meet such high costs. The responses received had not been encouraging. In the light of this, and in view of Governing Council decision 81/44, whereby the proposals to be formulated by the Administrator on the financing of vessel acquisition, utilization and maintenance were to be based on the assumption of full international competitive bidding, UNDP, together with FAO, had had to look into alternative ways for providing vessel services. He expressed great satisfaction at the wide support that members had given to the proposals made by the Administrator on behalf of UNDP and FAO.

Recommendation of the Committee

7. The Committee recommends that:

The Governing Council

1. Takes note of the report of the Administrator on the fisheries vessels pool (DP/1982/62);

2. Endorses the proposals made in the Administrator's report to negotiate and establish a co-operative programme with interested Governments for the use of research and training vessels owned by those countries;

3. Authorizes the Administrator to take the necessary action to refit, at a cost of approximately \$1.8 million, five vessels owned by UNDP, subject to the following two provisions:

(a) The proceeds of the sale of some vessels are used to finance the refitting of other vessels;

(b) The balance of the amount to be advanced from UNDP central resources in order to finance the refitting of vessels is to be recovered from vessel service fees within approximately seven years of the date of the refittings.

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions and the role of the accounting department in ensuring the integrity of the financial statements. It also highlights the need for transparency and accountability in the reporting process.

2. The second part of the document outlines the various methods used to collect and analyze data, including interviews, surveys, and focus groups. It also discusses the challenges associated with data collection and the importance of ensuring the reliability and validity of the data.

3. The third part of the document presents the results of the data analysis, including the identification of key trends and the development of recommendations for improvement. It also discusses the limitations of the study and the need for further research in this area.

4. The fourth part of the document provides a summary of the findings and a conclusion. It also includes a list of references and a list of appendices.