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POLICY

OTHER FUNDS AND PROGRAMMES

ACTIVITIES OF THE UNITED NATIONS SUDANO-SAHELIAN OFFICE (UNSO)

AND OTHER ASSISTANCE TO DROUGHT-STRICKEN COUNTRIES IN AFRICA

UNSO-UNDP/UNEP joint venture - financial matters

Note by the Administrator

Summary

This document contains the report of the Administrator, requested by the Governing Council in its decision 82/28, concerning the level of UNEP contributions to the institutional support budget of the UNDP/UNEP joint venture for the biennium 1980-1981.

It also contains the Administrator's proposals concerning the financing of UNDP contributions to the programme support budget of the joint venture for the biennium 1984-1985.

A. Reimbursement by UNEP of the amount of \$130,500 in respect of institutional support costs incurred in 1980-1981

1. At the twenty-ninth session of the Governing Council in June 1982, the Administrator informed the Budgetary and Finance Committee of the circumstances under which an amount of \$130,500 in respect of institutional support costs incurred during the biennium 1980-1981 had not been received from the United Nations Environment Programme (UNEP). The result of this was that UNDP in 1980-1981 had charged costs in respect of its institutional support budget which were \$130,500 more than those financed by UNEP during that period and that there was a deficit of \$130,500 in the joint venture account as at 31 December 1981. In its decision 82/28, the Council, inter alia, noted with concern that the level of the contribution of UNEP to the UNDP/UNEP joint venture (institutional support) was uncertain, urged that this issue be resolved in a manner so as not to impair the ability of the United Nations Sudano-Sahelian Office (UNSO) to carry out its expanded responsibilities in this region and requested the Administrator to report to the Council on this matter at its thirtieth session.

2. The Administrator has consulted with the Executive Director of UNEP on this matter and has been informed by him that UNEP would be able to provide an additional amount of \$130,500 to the joint venture in equal instalments of \$65,250 in 1983 and 1984. This amount, however, would be provided for programme support, not for institutional support; it would be in addition to the UNEP half-share of the agreed level of programme support for 1983 and 1984.

3. In the light of these developments, the Administrator believes that the UNEP and UNDP contributions to the joint venture for each of the years 1983 and 1984 could best be handled in the following manner:

(a) Programme support

(i) The UNEP contribution to programme support for each of these years would represent one half of the agreed level of programme activities for that year, plus the \$65,250 which UNEP has agreed to provide;

(ii) The UNDP contribution to programme support for each of these years would represent one-half of the agreed level of programme activities for that year, less \$65,250;

(b) Institutional support

(i) UNEP and UNDP would each finance one half of the agreed level of institutional support expenditures for each of these years;

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- (ii) In order to eliminate the deficit of \$130,500 which now exists in the joint venture account, UNDP would absorb \$65,250 of this deficit in each of the years 1984 and 1985 as a charge against its general resources under the heading of institutional support. These amounts would be in addition to the UNDP half-share of the actual costs incurred during the biennium, referred to in subparagraph (b)(i) above, and would be the equivalent of the amounts by which the UNDP contribution to programme support is reduced in those years, as explained in subparagraph (a)(ii) above.

4. By the end of 1984, the total cumulative effect of the above actions, which are shown in tabular form in part A of the annex to this document, would be as follows:

(a) The deficit of \$130,500 in the joint venture account as at 31 December 1981 will have been fully recovered;

(b) UNEP and UNDP will have contributed, in total, equal amounts to the joint venture;

(c) For programme support, UNEP will have contributed a total of \$261,000 more than UNDP (\$130,500 in 1983 and \$130,500 in 1984);

(d) For institutional support, UNDP will have contributed a total of \$261,000 more than UNEP (\$130,500 as at 31 December 1981, \$65,250 in 1983 and \$65,250 in 1984).

5. The above would ensure (a) that the existing deficit in the joint venture account will be recovered and (b) that past decisions of the UNDP Governing Council, to the effect that UNDP contributions to the joint venture are to be equal to those of UNEP, will be observed in so far as their total contributions are concerned. Accordingly, the Administrator recommends this course of action for the Council's approval.

B. Financing of the UNDP share of programme support costs for 1984-1985

6. For the 1980-1981 biennium, the Governing Council approved an amount of \$875,000 representing the UNDP half-share of the UNDP/UNEP joint venture (programme support) budget of \$1,750,000. This amount was financed from the regional Indicative Planning Figures (IPFs) of the Regional Bureaux for Africa and for the Arab States.

7. For the 1982-1983 biennium, the Council further approved an amount of \$1,305,396 as the UNDP contribution to the UNDP/UNEP joint venture (programme support) budget of \$2,610,792. However, the Executive Director informed the Administrator in 1982 that, as a result of financial constraints facing UNEP, he would be in a position to support activities under the joint venture to the extent of only \$900,000 for the 1982-1983 biennium (\$450,000 in 1982 and

\$450,000 in 1983). The Administrator had meanwhile made provision for financing the UNDP contribution for the 1982-1983 biennium in an amount of \$1,168,329 from the regional IPF for Africa. Funding in the amount of \$137,067 from the regional IPF for the Arab States was not provided for in the 1982-1983 biennium, as initially expected.

8. In accordance with the Governing Council's decision that the UNDP contribution is to be equal to that of UNEP in the financing of joint venture activities, an unutilized amount of \$268,329 (the \$1,168,329 provided by UNDP, less the \$900,000 equivalent of the amount provided by UNEP) therefore remains available from the regional IPF for Africa for programme activities under the joint venture in 1984 and 1985.

9. In respect of the 1984-1985 biennium, the Executive Director of UNEP has indicated his intention to seek the approval of UNEP Governing Council to allocate \$1 million for the financing of joint venture programme activities, this amount to be made available in equal amounts during 1984 and 1985. Equivalent amounts are therefore required from UNDP resources in order to enable activities of the joint venture to continue on the basis decided by the Governing Council.

10. As explained in part A of this document, it is the intention of the Executive Director to make available an additional amount of \$130,500 (\$65,250 in 1983 and \$65,250 in 1984) to the programme budget of the joint venture in order to compensate for the shortfall in the institutional support budget which occurred during the 1980-1981 biennium. As a result of this action, UNDP needs to contribute \$384,750 (\$65,250 less than its half-share of \$450,000) to the programme budget of the joint venture in 1983 and \$434,750 (\$65,250 less than its half-share of \$500,000) in 1984. Taking further into account that the amount of \$268,329 remains available from the regional IPF for Africa, as explained in paragraph 8 above, UNDP needs to allocate a further amount of \$601,171 for 1984-1985 (\$130,500 plus \$268,329 and \$601,171 for a total of \$1 million) in order to match the UNEP proposed contribution to the joint venture. The respective additional amounts for each year of the biennium are \$101,171 for 1984 and \$500,000 for 1985, as shown in part B of the annex to this document.

11. Normally the Administrator would have made provision for the UNDP contribution to the joint venture for 1984-1985 from the resources available under the regional IPFs for Africa and the Arab States, as was done previously. However, as a result of the recent reduction of programme levels to 55 per cent of the illustrative IPFs, the currently approved budgets and other known commitments against the third cycle IPF of the Africa regional programme already use up the available resources. It is the Administrator's intention to review the situation of the Africa regional programme in relation to available resources as a part of the over-all mid-term review of the third programming cycle which, in accordance with paragraph 14 of Governing Council decision 80/30, is due to take place in June 1984.

12. In these circumstances, the Administrator recommends that the Governing Council authorize the use of the regional IPFs for Africa and the Arab States for the amount necessary to finance, on a pro-rata basis, the UNDP share of the joint venture programme support budget for 1984-1985 on the understanding that the situation of the regional programme for Africa will be subject to review as indicated above. The Administrator proposes this line of action by the Council as, in the absence of such Council authorization, he may have to inform the Executive Director of UNEP and the Secretary-General of the United Nations of the inability of UNDP to ensure the continuation of the joint venture by the end of 1983.

C. Draft recommendation

13. Taking into account the information and observations contained in parts A and B above, the Council may wish to consider the following draft decision:

The Governing Council

Recalling its decisions 80/45, 81/4, 82/26 and 82/28 concerning the implementation of the Plan of Action to Control Desertification in the Sudano-Sahelian region,

Conscious of the need to continue and increase assistance to the countries in the Sudano-Sahelian region in support of their efforts to combat desertification,

Having considered the report of the Administrator (DP/1983/41) on the future financing of the UNDP/UNEP joint venture with a view to ensuring timely and effective provision of such assistance,

(a) Notes with satisfaction the progress that has been achieved by the Administrator of UNDP and the Executive Director of UNEP in resolving the issue of financing the respective shares of the institutional support costs of the UNDP/UNEP joint venture for the 1980-1981 biennium;

(b) Requests the Administrator of UNDP and the Executive Director of UNEP to continue to co-operate to the fullest extent to ensure the provision of increased assistance under the UNDP/UNEP joint venture to the countries of the Sudano-Sahelian region in their efforts to combat desertification;

(c) Authorizes the Administrator to charge the general resources of UNDP with an amount of \$65,250 in each of the years 1983 and 1984 as institutional support, in addition to the costs incurred against the appropriations approved for this purpose under the biennial budget for 1984-1985, for the purpose of eliminating the deficit of \$130,500 which had arisen in the joint venture account as at 31 December 1981;

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(d) Notes that an amount of \$268,329, representing the unutilized portion of the regional Indicative Planning Figure (IPF) for Africa, which was provided for financing the programme support activities of the UNDP/UNEP joint venture in 1982 and 1983, will be available for carry-over to the 1984-1985 biennium;

(e) Authorizes the Administrator to use an amount of \$601,171 to be charged, on a pro-rata basis, to the regional IPFs for Africa and for the Arab States for the purpose of providing the UNDP contribution to the UNDP/UNEP joint venture for 1984-1985 at the same level as that of UNEP. In authorizing this course of action it is understood that the situation of the Africa regional programme will be reviewed as part of the over-all mid-term review of the third programming cycle, which is scheduled to take place in June 1984;

(f) Requests the Administrator, in consultation with the Executive Director of UNEP, to present to the Governing Council at its thirty-first session proposals outlining alternative ways and means for financing the UNDP/UNEP joint venture beyond the 1984-1985 biennium so as to ensure the continuation, on an increased basis, of activities aimed at combating desertification in the Sudano-Sahelian region.

Notes

1/ As this paper deals both with institutional support and with programme support to the UNDP/UNEP joint venture, it would help to clarify that the institutional support relates to management and administration of the joint venture, and programme support relates to the development of project and programme activities of the joint venture.

Annex

UNSO - UNDP/UNEP JOINT VENTURE

A. Recovery of 1980-1981 deficit on institutional support costs

	<u>1983</u> \$	<u>1984</u> \$	<u>1985</u> \$
<u>Institutional support</u>			
UNEP	427 100	465 000	521 600
UNDP	<u>427 100</u>	<u>465 000</u>	<u>521 600</u>
	854 200	930 000	1 043 200
UNDP (to be applied against 1980-1981 deficit)	<u>65 250</u>	<u>65 250</u>	-
Total institutional support	<u><u>919 450</u></u>	<u><u>995 250</u></u>	<u><u>1 043 200</u></u>
<u>Programme support</u>			
UNEP	450 000	500 000	
	<u>+ 65 250</u>	<u>+ 65 250</u>	
	515 250	565 250	500 000
UNDP	450 000	500 000	
	<u>- 65 250</u>	<u>- 65 250</u>	
	384 750	434 750	500 000
Total programme support	<u><u>900 000</u></u>	<u><u>1 000 000</u></u>	<u><u>1 000 000</u></u>
<u>Total contributions</u>			
UNEP	942 350	1 030 250	1 021 600
UNDP	<u>877 100</u>	<u>965 000</u>	<u>1 021 600</u>
Difference	<u><u>65 250</u></u>	<u><u>65 250</u></u>	<u><u>-</u></u>

B. Financing of UNDP contributions to programme support budget
for 1984 and 1985

	<u>1982</u> \$	<u>1983</u> \$	<u>1984</u> \$	<u>1985</u> \$	<u>Total</u> \$
UNDP contribution	450 000	384 750	434 750	500 000	1 769 500
Amount financed from regional IPF for Africa	<u>450 000</u>	<u>384 750</u>	<u>333 579</u>	-	<u>1 168 329</u>
Additional financing required	<u>-</u>	<u>-</u>	<u>101 171</u>	<u>500 000</u>	<u>601 171</u>
