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Policy Review: Measures to mobilize increased resources
for UNDP on an increasingly predictable, continuous and assured basis

REPORT OF THE INTERSESSIONAL COMMITTEE OF THE WHOLE

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INTRODUCTION

1. At its twenty-ninth session, in its decision 82/5, section II, paragraph 1, the Governing Council established the Intersessional Committee of the Whole with the following mandate:

"(a) To study, in consultation with the Administrator and as a matter of priority, options and recommendations for the longer-term financing of UNDP contained in documents DP/1982/15 and DP/1982/35 and Corr.1, including such measures as voluntary contributions, replenishment, multiyear pledging, assessed contributions and various combinations of voluntary and assessed measures, taking into account the views expressed on these matters, inter alia, in the discussions of the Council;

"(b) To study, in consultation with the Administrator, other matters that might facilitate the implementation of the measures outlined in subparagraph (a), including in particular, options and recommendations for strengthening the effectiveness of the work of the Governing Council."

In paragraph 2 of decision 82/5, section II, the Governing Council requested the President, in consultation with the Administrator, to convene the Intersessional Committee of the Whole at the earliest possible date at United Nations Headquarters and to report to the Council at its thirtieth session on the results of the meeting.

2. The Committee held three sessions at United Nations Headquarters in New York from 13 to 15 September 1982, from 9 to 15 February 1983 and from 6 to 8 April 1983, respectively.

3. At its first session, the Committee elected by acclamation Mr. Douglas Lindores (Canada) as Chairman and H.E. Mr. Taieb Slim (Tunisia), Mr. Shri Vatsa Purushottam (India), and H.E. Dr. Miguel A. Albornoz (Ecuador) respectively as First Vice-Chairman, Second Vice-Chairman and Fourth Vice-Chairman, as well as Mr. Qazi Shaukat Fareed (Pakistan) as Rapporteur. The election of the Third Vice-Chairman was postponed, pending further consultation of the Chairman with the delegation of Bulgaria. At its second session, the Committee decided that the terms of office of the members of the Bureau would extend to the time of presentation of the Committee's report to the Governing Council at its thirtieth session in June 1983 and that Mr. H. M. Kaabachi (Tunisia) Mr. B.M. Oza (India) and Mr. Stoyan Bakalov (Bulgaria) would serve as First Vice-Chairman, Second Vice-Chairman and Third Vice-Chairman, respectively. At the third session, Mr. Shri Vatsa Purushottam (India) replaced Mr. Oza as Second Vice-Chairman.

4. At its first session, the Intersessional Committee of the Whole adopted the agenda attached as annex I to this report, which served as a basis for the Committee's discussion at its subsequent sessions. Some delegations questioned whether the shorter-term aspects of resource mobilization, included under item 3 of the Committee's agenda, were within the mandate of the Committee, since the Council in its decision 82/5, section II, referred only to the longer-term financing of UNDP. It was, however, generally agreed that, taking into account the seriousness of the current resource situation and its possible implications for the Programme's longer-term aspect, the Committee should examine measures which might alleviate in the shorter term the resource constraints experienced in 1982 and expected in 1983. Regarding the options for the longer-term financing of UNDP (item 4 of the agenda), the Committee agreed that, notwithstanding the reference in its mandate to "assessed contributions" and "assessed measures", it would not consider any measure based on assessed contributions to UNDP.

5. The Intersessional Committee decided that its report, to be approved at its third session, would reflect the various views expressed during its deliberations. At its final meeting held on 8 April 1983, the Committee adopted its report to the Governing Council.

6. At its first session, the Committee also decided to invite to its plenary meetings, in accordance with rule 30 of the rules of procedure of the Governing Council (DP/1/Rev.4), observers of States members of the organizations of the United Nations referred to in rule 7 and the representatives of the agencies and organizations referred to in rule 6. Members of the Governing Council in 1982 and 1983; States represented as observers; United Nations Secretariat, departments, offices, bodies and programmes; organizations of the United Nations system; and other intergovernmental bodies which were represented at the sessions of the Committee are listed in annex II to the present report.

I. SHORT-TERM FINANCING SITUATION

7. At its second session in February 1983, the Intersessional Committee of the Whole considered the matter of the short-term financing situation of UNDP, with particular reference to a one-shot supplementary short-term financing effort.

8. Many delegations recognized that the downward adjustment of projected programme levels for the third programming cycle (1982-1986) to 55 per cent of illustrative indicative planning figures (IPFs) has had a serious impact on the developing countries and urged greater efforts for the realization of the targets established in Governing Council decision 80/30. Others cautioned against overemphasizing the comparison with what they regarded as unrealistic

targets reflected in the illustrative IPFs, particularly in the light of exchange rate trends since the adoption of the above-mentioned decision. There was at the same time a widely held view that the actual resource situation, in dollar terms, had evolved in a way substantially worse than even the least optimistic expectations in 1980.

9. Many delegations therefore felt that some special effort was needed to restore the Programme at least to a level that would maintain its value in real terms during 1982 and 1983. Representatives of major donor countries who took this position cited as a condition for their participation in such a special effort that it should have wide participation by donors. A number of other countries indicated that they were not prepared to participate in such an exercise.

10. To arrive at a more precise assessment of the situation, the Chairman held informal consultations on this matter which revealed that six countries representing approximately 27 per cent of the contributions to UNDP would be willing to participate in a one-shot effort, while four countries representing approximately 21 per cent of UNDP contributions indicated that they would not. The latter representatives nevertheless emphasized that their position did not reflect less support for UNDP on their part, but rather the realities of their own budgetary or programming situations or other related difficulties. Some representatives also expressed doubts about pursuing this type of negotiated scheme within the context of UNDP. One representative indicated that, while his Government would not be able to participate in a concerted one-shot effort involving negotiated shares, it would try to make a supplementary contribution. Some countries stated that they would be prepared to consider a supplemental one-shot effort in the light of the results of the discussions on the long-term financing situation.

11. The Chairman concluded that it was not yet possible to develop sufficiently broad support for a negotiated or co-ordinated supplementary financing effort and it was agreed that Governments would review their positions and consult again prior to and during the Committee's third session in April 1983. The need to reach a firm and early decision one way or the other was underlined. It was also agreed that pending further discussions and decision in April, the Administrator would attempt to carry on further consultations with certain countries to ascertain whether or not it would be possible for them to review their position.

12. The Chairman and the Administrator informed the Committee at its third session about their latest efforts to mobilize supplementary short-term financing for the programme. Based on the consultations which the Chairman and the Administrator had held with Governments, there seemed to be no purpose in continuing further with such a negotiated or co-ordinated one-shot effort.

Two Governments, Canada and Norway, had responded so far to the appeal for supplementary contributions. At the third session of the Committee, Sweden announced that it would be making an extraordinary one-shot contribution to UNDP in 1983, subject to parliamentary approval expected in a few weeks. Switzerland informed the Committee that it was still giving serious consideration to this question. The Committee expressed its appreciation to those countries which had been able to respond with supplementary contributions.

13. The Administrator provided, as earlier requested, an updated resource planning table which is attached to this report as annex III. This table showed that in April 1983, the value of contributions for 1983 stood at \$690 million: it was underlined that the figure varied frequently according to exchange rate fluctuation.

Conclusions

14. At the end of its consideration of this item, the Committee agreed on the following conclusions:

(a) The Committee noted with appreciation that a few Governments had found it possible to provide additional resources beyond the level of originally pledged contributions so as to alleviate the shortfall of resources experienced by UNDP in the short term and expressed the hope that other Governments would find it possible to make similar supplementary contributions.

(b) The Committee appealed to all Governments to consider transferring at the end of their respective fiscal years, undisbursed resources or resources from other programmes which could not be disbursed through other channels to UNDP to meet its short-term financing requirements.

(c) The Committee strongly urged all Governments participating in UNDP to draw attention to the present critical financial situation of UNDP and to the need for providing a higher level of resources to it in all international forums, conferences and similar events.

II. LONGER-TERM FINANCING OF UNDP

15. Following discussions held at the first session of the Intersessional Committee of the Whole, papers relating to the longer-term financing of UNDP were prepared by the secretariat for the consideration of the Committee at its second session. First, an analysis was made of the experience of UNDP with its voluntary annual pledging system during the period 1972-1982 (DP/1983/ICW/3) as well as of the experience of other comparable organizations

of the United Nations system (DP/1983/ICW/3/Add.1). Second, alternative modalities were presented for financing on a multiyear basis: one through voluntary, rolling multiyear pledges; the other through a voluntary replenishment scheme in which the total of the replenishment and the shares to be borne by individual major donors would be arrived at through consultations, with non-participants continuing to pledge on an annual basis (DP/1983/ICW/4). The Deputy Administrator, when introducing this latter document, stressed that the outline of a scheme of replenishment for UNDP was but one option and that others could be devised on similar lines. Third, two papers were prepared by the secretariat in response to specific requests made at the Committee's first session: one explored the possible use of the special drawing rights (SDRs) as a unit of obligation for the denomination of pledges to UNDP with a view to mitigating the effect of exchange rate fluctuations (DP/1983/ICW/4/Add.1); the other estimated the impact on UNDP resources of the prompt payment of contributions by Governments (DP/1983/ICW/4/Add.2).

16. In the discussion which took place on this element of the Committee's mandate, there was unanimous support for UNDP. One delegation recalled the evolution since 1945 of the United Nations with its concomitant principles and the role of UNDP and its precursors in this process; another delegation described UNDP as the heart of the United Nations system. Many delegations referred to the 1970 Consensus and to the basic principles which it enshrines, particularly those of voluntariness, universality and sovereignty. A few delegations expressed the opinion that the Consensus, while still valid, might need some additions and amendments so as to render it more relevant to the 1980s. The majority affirmed the continuing validity and relevance of the Consensus and stated its opposition to any change in the system of financing of UNDP that would do violence to the Consensus.

17. There was general recognition that the level of resources available to UNDP is inadequate and unsatisfactory. One delegation reminded the Intersessional Committee that the resource situation was its *raison d'être*. Several delegations outlined the impact of the resource shortfall on their national development programmes and one delegation pointed out that LDCs had been particularly affected at a time when special commitments to them had been made at the United Nations Conference on the Least Developed Countries held in Paris in September 1981. Several delegations compared the actual level of resources with the target level implied in Governing Council decision 80/30, on which the IPF calculations for the third cycle had been made. Some delegations saw the shortfall of actual resources as a reflection of a lack of political will on the part of certain important contributors: the experience of UNDP had to be seen in the context of the north-south dialogue and global negotiations. On the other hand, the sustained increase in contributions of a number of substantial contributors and of many developing countries was cited

as evidence of continuing support for UNDP and all it represents. One representative stated that, while political will might be one determining factor for the environment in which UNDP operates, it was beyond the power or mandate of the Committee to change or influence it. Several delegations drew attention to the small number of major contributors to UNDP and the consequently disproportionate impact that the decisions of a few countries could have on the resources situation of UNDP. A number of delegations referred to the accumulation of non-convertible currencies which remained unprogrammed by UNDP and urged that ways be found to utilize them, especially at a time when resources fell short of programming levels. Other delegations urged that contributions to UNDP be made in fully convertible currencies. Still other delegations denied that there was a lack of political will but pointed to the global economic situation and its impact on national budgets, to fluctuating exchange rates and to the assumptions behind Governing Council decision 80/30 - which they deemed unrealistic - as being responsible for the resources shortfall.

18. Several delegations spoke of the constraints imposed by the recessionary state of their economies which precluded any significant increases in their contributions to UNDP. Others warned that, in the absence of any additionality in their official development assistance (ODA) resources, any increases for UNDP would mean a corresponding reduction for other programmes, whether multilateral or bilateral. Two representatives gave as their conviction that an upturn in the business cycle would bring with it an upturn in contributions to UNDP. Other delegations maintained that some of the major donors, through payments to their nationals serving as experts, through equipment purchases and fellowship placements, received amounts comparable to or larger than their voluntary contributions to UNDP.

19. The effects of substantial movements in exchange rates were mentioned by several delegations. In the recent past, with the US dollar strong in relation to the currencies of other major donors, contributions when expressed in US dollar terms had virtually stagnated despite the fact that the majority of the major donors had increased their pledges in terms of their own currencies. Conversely, in the early years of the second cycle, it could be claimed that the relative weakness of the US dollar vis-a-vis the currencies of other major donors had resulted in a gratuitous benefit to UNDP.

20. A large number of delegations referred to the 14 per cent annual increase in contributions to UNDP adopted as a target for the third cycle and incorporated in Governing Council decision 80/30 and reaffirmed by the Governing Council in its decisions 81/16 and 82/5. Some delegations insisted that this target, which represented a minimum increase in resources when compared with the technical assistance needs of developing countries must be maintained. Some delegations pointed out that the amounts involved were

marginal when measured against global spending on armaments: one of these delegations suggested that UNDP should speak out on this subject. Other delegations described the target of an annual increase of 14 per cent as unrealistic and reminded the Intersessional Committee of the reservations they had expressed in the debate on the issue prior to the adoption of decision 80/30. One representative pointed out that the decision was taken at a time when most economies were experiencing double-digit inflation and when the US dollar had been weak relative to the currencies of other major donors and that the same considerations did not apply in 1982-1983. In addition to those two considerations, another delegation recalled that, during the late 1970s, several countries had acted upon their decisions to increase the levels of their ODA. UNDP had benefited from these decisions which had been a significant factor in attaining the resource target for the second cycle, a factor which might not necessarily prevail in the third cycle. Several delegations stated that, while the realism of the third cycle targets might be debated, the present level of funding was clearly unacceptable. One delegation said that targets which could not be realized should not be maintained as the basis of actual programming, which had to be founded on realism; the Administrator also emphasized the need for programming to be based on a realistic estimate of available resources.

21. Several delegations reiterated that the appeal for a 14 per cent annual increase in contributions, which was already being observed by a good number of developing countries, should be maintained. The significance of the increasing allocations of cost-sharing and funds-in-trust contributions by developing countries, in particular in the Arab States and Latin American regions, was also mentioned as a demonstration of their faith in UNDP and of the real need for its services which substantially exceeded the present level of resources.

22. While there was general agreement that the current level of resources available to UNDP is inadequate, opinions diverged as to the steps to be taken to overcome the situation.

23. A number of delegations held that the solution to the UNDP resource problem was not to be found in a change in the financing mechanism but, according to many delegations, lay in broadening the base of contributions, in heightening the image of UNDP, in curbing the erosion which had taken place in its central funding role and in the related weakening of the relationship between UNDP and the executing agencies. One representative expressed the view that UNDP could be made more attractive to his Government if the proportion of resources allocated to the global programme were to be enhanced and if UNDP programming were to be more closely integrated with the country programming undertaken by the World Bank, inasmuch as technical assistance was an increasingly significant element in the Bank's activities.

24. A number of delegations expressed the view that the existing financing mechanism had served UNDP well and that it gave flexibility to donors to adjust their pledges according to changing circumstances in keeping with the voluntary character of UNDP. Several delegations called for identification of the obstacles within the existing system which were preventing the growth of, UNDP resources so that they could be removed. Only if it were proved that these obstacles were endemic to the existing financing system should consideration be given to finding an alternative system. Other delegations drew attention to the dichotomy between the present annual funding system and the multiyear commitments made under the existing programming arrangements. One representative referred to it as the short-term financing of long-term obligations.

25. Some delegations held that UNDP needed a more complex and refined financing mechanism than the present mechanism of annual voluntary pledges. A new mechanism should reflect donors' commitments to provide an agreed level of resources. A replenishment scheme would give the needed stability and predictability and might give a guaranteed increase in resources although this would depend on the outcome of the negotiation process. These delegations recognized that doubts existed as to the appropriateness and efficacy of a replenishment scheme for UNDP but believed that the record proved that institutions using replenishment systems enjoyed higher programme growth rates than those dependent on annual pledging. If the present decline in UNDP real resources were to continue, its central funding role in the United Nations technical assistance system would be severely jeopardized.

26. Several delegations stated their preparedness to examine the proposal for a replenishment scheme to be used for UNDP, although some queried whether such a financing mechanism was compatible with the principles upon which UNDP was based and whether it would bring increased resources. Several delegations held the view that, if the political will existed to attain the 14 per cent target in the growth of contributions, this would in effect amount to a replenishment scheme. A number of delegations described their approach to this issue as "cautiously flexible", which was amplified to mean firm on principle and flexible as to the mechanism chosen. One delegation stated that it was ready to explore the feasibility of a replenishment scheme provided that recipient countries as well as major donors were involved in negotiations and target-setting. Other delegations opposed the proposal for a replenishment scheme which they felt, from the experience of existing replenishment schemes, would involve a fundamental change in UNDP and would violate the principles which had given the Programme its unique character. Some of these delegates drew attention to the essential differences between UNDP and the international financial institutions which are funded by replenishment schemes, and expressed doubts as to the transferability of that funding mechanism to UNDP, an institution which is based on the principles of

universality and voluntariness. It was also pointed out that replenishment schemes had not always guaranteed the provision of resources at an agreed level. Some representatives speculated that the adoption of a replenishment modality might result in a stagnation or even a reduction in resources, due in part to a conservative approach to the negotiation process and in part to reduced contributions from individual donors in line with a burden-sharing formula. Several delegations saw the legislative requirements of a replenishment scheme as an obstacle to any such modality. Some representatives stated that their Governments' annual budgeting system would preclude their participating in any scheme involving forward commitments. Referring to an earlier discussion on the short-term resource situation of UNDP and a proposal to hold consultations on burden-sharing among potential contributors to a one-shot supplementary effort, one delegation saw in the proposal the shadow of a future in which there was little room for participation by the developing countries which UNDP serves. One delegation reminded the Intersessional Committee that there was no precedent for a switch from an annual, voluntary funding mechanism to a replenishment scheme with concomitant commitments. Other delegations cautioned that, whatever change might be agreed upon, time would be needed to effect it.

27. One delegation gave its view that no single mechanism would achieve the twin aims of ensuring predictability and increased resources. Several other delegations, concluding that no financing mechanism could guarantee increased resources, stressed that, as a minimum objective, UNDP should strive to attain contributions on a predictable and assured basis. If a full replenishment scheme were not acceptable, consideration should be given to devising a scheme specific to UNDP which might draw on some of the features of replenishment schemes while respecting the basic principles of UNDP. A number of delegations mentioned multiyear pledging as a desirable modality for contributions, some recalling that they had in fact adopted the practice for some time and urging that a larger number of countries should adopt the practice. An observer delegation suggested that consideration be given to combining multiyear (three-year) pledging with the introduction of three-year rolling planning periods: this suggestion was supported by another delegation. One delegation stated that any system which might be adopted would need to embody not only predictability but also consultations, mainly among major donors and prior to funding decisions. Such consultations would enable needs, absorptive capacity, funding prospects and other elements which were pertinent to rational decision-making to be taken into account. Any instrument for consultations would have to reflect contributions in a fair manner. Still another delegation stated that its consideration of multiyear pledging would be conditional on broad support among major contributors and on organizational change designed to improve donor participation and to ensure realism in planning. Another delegation, generally supporting the concept of multiyear pledging with prior consultations as a necessary adjunct, urged that the

consultative process should be as informal and pragmatic as possible. Several delegations supported this approach provided that the Consensus was respected. One representative proposed that those who were able and willing to bind themselves to multiyear pledging should be encouraged to do so; others who were either unable or unwilling to do so, should be free to continue to pledge on an annual basis. Another representative doubted that multiyear pledging would provide predictability in the absence of a legislative commitment. One delegation pointed out that currency fluctuations would limit predictability, even if multiyear pledging were to be adopted, although the use of SDRs for pledging purposes might diminish the effect of such fluctuations to some extent. Three other delegations said that they would also be prepared to examine the possibility of denominating pledges in SDRs. One delegation declared its inability to do so.

28. On the basis of the discussion by the Intersessional Committee at its second session on the longer-term financing of UNDP, it was concluded that there was not sufficient support for the introduction of a replenishment financing mechanism of the type outlined in document DP/1983/ICW/4. There was, however, unanimity that funding should be on a more assured and predictable basis than presently exists. The Administrator was requested to prepare a note for the Committee's third session on arrangements for longer-term resource mobilization which could provide for greater predictability and would be adapted to the specific characteristics of UNDP. Such arrangements were to take into account the statements made during the second session and to involve a combination of concepts of assuring financing on a multiyear basis and of prior consultations between contributing Governments. It was agreed that the possibility of denominating pledges in SDRs should be further examined by those contributors interested in pledging in that way.

29. The Administrator's paper (DP/1983/ICW/11) in response to the Committee's request was considered by the Committee at its third session. After reviewing the legislative basis for the modalities for resource mobilization for UNDP, the paper discerns five requirements for a longer-term financing modality: voluntariness, predictability, continuity, assuredness and growth. It concludes that neither the present system of one year pledges nor a system based on agreed targets for resources but without indications of individual contributions can respond to the five provisions listed above. It outlines a system whereby, for a five-year cycle, donors would voluntarily undertake, as a minimum target, to maintain from year to year their contributions in real terms. In addition, a growth target would be arrived at by the Governing Council following and taking account of consultations among major donors and net contributors; these consultations would in turn consider, among other things, an estimate by the Governing Council of UNDP requirements to meet technical assistance needs during the period.

30. Discussion on document DP/1983/ICW/11 centred on the nature of the consultations among donors, net contributors and potential contributors to determine their individual and collective ability to increase levels of resources in real terms over the planning period; on the ability of donors to undertake to maintain the real value of future pledges, and on the desirability and feasibility of introducing a rolling financing plan linked to a rolling programming process.

31. One delegation doubted the effectiveness of a consultative arrangement which did not lead to a formal binding agreement, while another delegation saw the proposed consultations as an instrument to promote burden-sharing. A few delegations believed that participation in the consultations should not be limited in view of the desirability of widening support and the resource base. Some delegations voiced misgivings at the proposal to institutionalize the consultation process which they feared would introduce the concept of bloc groupings into the deliberations of the Governing Council, a concept which the members of UNDP had always striven to avoid. On the other hand, some of these and other delegations recognized the possible utility of informal consultations, the outcome of which would be made known to the Governing Council when the setting of a resource target for the next planning period was under consideration.

32. As regards the maintenance in real terms of pledges from one year to the next, several delegations stated that their annual budgeting systems precluded any commitment, formal or informal to meet a given level of contributions in a future year for which no budget was approved. These delegations noted their continued support for UNDP and believed that every effort would be made to ensure that their contributions to UNDP in real terms would not be reduced, but emphasized that they could go no further than this. Some delegations, however, stated that they were not in a position to agree to undertake to maintain their contributions in real terms. Some delegations felt that setting a minimum requirement for individual Governments to maintain their contributions in real terms would be unfair to the major donors as it might result in stabilizing the pattern of present contributions.

33. Several delegations referred to the seven year span for the financial planning process implied in document DP/1983/ICW/11 and expressed the view that this was unrealistically long. Some delegations stated that a mid-term or more frequent review of the resource situation would be a necessary corollary to the process. Several delegations supported the proposal made at the second session of the Committee for rolling multiyear pledges to UNDP. One delegation proposed that this type of scheme could also be combined with consultations every two years among net contributors to the Programme to promote continuous increases in resources. Several delegations supported the

idea, also put forward at the second session of the Committee, of combining a multiyear (three year) financing scheme with the introduction of a three-year rolling programme planning period: it was argued that this would give the needed realism and flexibility to the financial planning and programming processes. Based on the rolling financing scheme and programme plan, one delegation proposed that those Governments which were in a position to do so should make a firm pledge for the pledging year which would never be less in real terms than that for the preceding year and indicate their pledges for the following two years. The Deputy Administrator confirmed that this last proposal would facilitate the management of the Programme. As regards the proposal for rolling financing and programme processes, he informed the Committee that, in fact, the administration undertook frequent revisions of its resource planning and that the Governing Council's decision on continuous programming enabled adjustments to be made against the bases represented by the country programmes; therefore the rolling concepts proposed appeared to pose no practical problems as long as it was not sought to formally redo the illustrative IPFs and the base country programmes linked to them. He cautioned also that to prepare country programmes at more frequent intervals than at present would place a considerable strain on the UNDP field offices and the executing agencies.

Conclusions

34. The Interessional Committee of the Whole, having considered at its third session the proposal contained in document DP/1983/ICW/11, and in the light of its discussions, recommends to the Governing Council to consider the following elements for the adoption of a system for the long-term mobilization of resources:

(a) The Governing Council would recommend to all Governments to make their best efforts towards the maintenance of the real value of their contributions from year to year as a minimum objective and to inform the Administrator of their intentions at the earliest possible time; the calculations of the amounts required to maintain real values would be done by each Government in respect of its own contributions;

(b) There would be appropriate informal intergovernmental consultations prior to the annual pledging conference and those Governments in a position to do so would each year make firm pledges for the pledging year and give indicative or tentative statements on their pledges for the following two years, expressed in SDRs if they so chose; other Governments would continue to make annual pledges, but on the understanding that all Governments would have regard to the provisions of (a) above;

(c) Prior to establishing the target level of resources for the Programme for a given period, and bearing in mind the technical assistance needs of developing countries, the Administrator would arrange for appropriate informal consultations to be held among all participating Governments to discuss the Programme's growth with a view to ensuring the maximum possible planning levels consistent with the ability of participating Governments to provide resources. The outcome of these consultations would be made known to the Governing Council. The Governing Council would take a decision on the over-all target for resources and the implicit rate of growth contained in that target. The objective of these informal consultations should be to ensure a steady growth in Programme resources. It should also be to aim at increasing the number of significant contributors to UNDP and promoting a more equitable pattern of contributions among the donor countries to the Programme.

35. Further, the Committee, based on its preliminary discussion of the possibility of introducing a three-year rolling system of pledges and programme implementation without prejudice to the present country programming and IPF arrangements, requested the Administrator to prepare a paper for the consideration of the Governing Council on this issue.

III. OTHER MATTERS THAT MIGHT FACILITATE THE IMPLEMENTATION OF THE MEASURES
FOR THE LONGER-TERM FINANCING OF UNDP, INCLUDING, IN PARTICULAR, OPTIONS
AND RECOMMENDATIONS FOR STRENGTHENING THE EFFECTIVENESS OF THE WORK OF
THE GOVERNING COUNCIL

36. On the basis of the views expressed by delegations during the first session of the Intersessional Committee on the questions and issues covered by this part of its mandate, the Bureau of the Committee requested the Administrator to prepare documentation on three topics for the consideration of the Committee at its second session; namely, (a) strengthening the role of the Governing Council and participating Governments in programme planning and programme review; (b) arrangements for the evaluation of the results and of the effectiveness of the Programme; and (c) measures to promote a better understanding of the role and activities of UNDP and of the resource needs of the Programme. Documents DP/1983/ICW/8, DP/1983/ICW/6 and DP/1983/ICW/7, respectively, were submitted to the Committee by the Administrator on the three topics listed above. In an introductory note (DP/1983/ICW/5), the Administrator reminded the Committee that, although the three topics were treated separately, the matters covered were closely interrelated and should be seen as components of a single, larger issue, i.e. the need to satisfy Council members that UNDP is addressing itself to their expressed concerns; that its programmes and projects are well designed, implemented and evaluated, and that all concerned are adequately and accurately informed of UNDP activities and achievements so as to be able to judge for themselves how effectively its resources are utilized.

37. In the discussions which subsequently took place, a few delegations affirmed the linkage between the level of resources available to UNDP and the "other matters" referred to in the Committee's mandate. Other delegations did not see any linkage between the two elements.

A. Strengthening the role of the Governing Council and participating Governments in programme planning and programme review

38. Discussion on governance centred around document DP/1983/ICW/8 and the proposals contained therein. This topic and that of evaluation were discussed jointly and a number of delegations emphasized the close links between the two.

39. Two representatives noted with interest the evolution in the arrangements for the Governing Council up to the present. Several delegations expressed their general satisfaction with the existing arrangements and procedures of the Governing Council and urged caution in introducing any change in the governance of UNDP, which should only be contemplated if there were compelling reasons to do so. Existing possibilities should be exhausted before seeking new modalities. One delegation cited the use of special meetings which, in its view, had not been fully explored and might satisfy the requirement for greater involvement in programming matters. Other delegations also expressed their support for special meetings. A few delegations referred to the round table meetings for LDCs initiated by UNDP on the basis of the mandate given to it under the Substantial New Plan of Action, observing that these meetings had been helpful in providing considerable insights into the development needs and programmes of the countries concerned. A good number of representatives expressed their appreciation of informal meetings and briefings convened by the Administrator, which they found to be a useful complement to documentation and other more formal presentations. One delegation pointed to the utility of such meetings in familiarizing new members of permanent missions with UNDP. One delegation, on the other hand, held the view that greater resort to informal meetings, consultations and briefings should not be pursued.

40. Several delegations, stressing that there was no lack of confidence in UNDP, spoke of a feeling of lack of sufficient involvement and participation in its governance. One delegation suggested that, in addition to increased use of informal consultations with the Administration and special meetings of the Governing Council, the organization of work at the Council's sessions might be rescheduled to permit more time for programming matters; such adjustments to the existing mechanisms were certainly preferable to the creation of any new bodies. Two delegations expressed the view that the Governing Council had become too politicized and that many of the issues covered in the general debate should be discussed in other, more appropriate

forums of the United Nations: this would release time for the Governing Council to concentrate on practical decision-making and policy guidelines for the Administrator. Another delegation endorsed the view that there should be a greater focus in the Governing Council's deliberations on policy issues.

41. A number of delegations felt that improvements in the working of the Governing Council were needed to enable members to identify better the context in which UNDP programming takes place, that is, its relationship to other projects of bilateral and other multilateral programmes. One representative spoke of too much "rubber-stamping" by the Council and called for greater participation by members, if necessary through a change in the institutional framework. Another delegation pointed out that the corrective action to eliminate "rubber-stamping" - if it were taking place - lay with the Council members themselves, who should change their approach and attitude to the workings of the Council rather than change the mechanism itself. On the question of co-ordination of programmes, one delegation reminded the Intersessional Committee that this was the responsibility of the recipient Governments and that the resident representatives were mandated to assist Governments in the task if so requested by the latter.

42. Several delegations referred to the volume of documentation submitted to the Governing Council - at the Council's own request, as one representative reminded the Committee - and of the difficulty, especially for smaller delegations, of absorbing it. Some delegations called for an earlier distribution of documentation. One delegation proposed greater selectivity in documentation on programme matters. Several delegations recalled the requirement for reporting on programme implementation and called upon the Administration to increase its efforts in that respect. The desirability of the Governing Council receiving more reports and information on evaluation activities and results was also alluded to by a number of delegations as a means of ensuring feedback into the programme review process.

43. A number of delegations referred to visits by representatives of net donor Governments to net recipient countries, with the approval of the host countries, to see UNDP-assisted projects for themselves and to learn directly both from their own observations and from representatives of recipient countries, of the utility and relevance of such assistance. (This topic was also mentioned in discussion on the measures to promote a better understanding of the role and activities of UNDP and of the resource needs of the Programme, reported in paragraph 50 below.) Speaking more generally on this theme, one delegation said that there was a need for candid programme- and project-oriented dialogue between members of the Governing Council as well as between members and the Administrator.

44. Some delegations spoke in favour of establishing a new body, which they believed to be the only sure way of obtaining effective participation by member Governments in the governance of UNDP. Virtually all delegations emphasized that any such step could only be taken within the framework of the Consensus. One delegation favoured setting up an executive board which, by focusing on practical management matters, would free the Governing Council to concentrate on broad policy matters; the experience of international financial institutions had shown the usefulness of such an arrangement. Another delegation supported this position and in this connection expressed its preparedness, if necessary, to consider an addition to the Consensus to accommodate the evolution of UNDP. This delegation proposed an executive board reflecting the current 48 members of the Governing Council with the Governing Council itself being expanded to include all States members of the United Nations, the specialized agencies and the International Atomic Energy Agency (IAEA). This expanded Council would meet less frequently than under present arrangements and would concentrate on policy issues. A large number of delegations opposed any change to the existing Consensus and several opposed specifically the establishment of an executive board, which they felt would violate the Consensus by taking away an important element of governance from the Governing Council and by a possibly limited membership. One delegation feared that, if similar bodies of other institutions were an indication, weighted voting might be proposed, which would be totally in violation of the principles upon which UNDP is based.

45. A number of delegations spoke in favour of the establishment of a programme committee - one proposing that it be introduced on a trial basis - while other delegations expressed their willingness to explore the proposal. The argument in favour of setting up a programme committee was that the desirable exchange of ideas and information could take place more easily than in the plenary meetings of the Governing Council, which were too formal for a substantive consideration of programme matters and tended to lead to statements for the record. One delegation suggested that, for such a committee to be effective, its membership might be smaller than that of the Governing Council. The other delegations which spoke on the subject insisted that membership must be open-ended, like that of the Budget and Finance Committee. Several delegations said that a programme committee should be oriented towards projects as much as towards programmes. Others saw such a committee as an appropriate body to which evaluation and programme implementation reports should be addressed. The majority of delegations which spoke in favour of consideration of a programme committee stressed that it must be substitutional in nature and not add to the work-load of the Governing Council's sessions: its discussions should not repeat those of the plenary meetings. At the same time, such a committee should be an advisory body reporting and making recommendations to the Governing Council, which would remain the sole decision-making body. A number of delegations emphasized

that, whatever changes might be introduced in the review of programme matters by the Governing Council, the primary responsibility for the preparation of country programmes would continue to rest with the recipient countries. Care should be taken in scheduling the meetings of a programme committee to ensure that they were held in conjunction with the Governing Council and also that they did not impose an additional burden in terms of participation, as the capacity of smaller delegations to participate in meetings was already stretched under the existing arrangements. In similar vein, some delegations warned that the introduction of a new body should not increase documentation and bureaucracy and that the supplementary costs of any change should be borne in mind. Two representatives cautioned against the over-management of UNDP by the Governing Council: any new arrangements should not impede the Administrator in exercising his functions and should be flexible. A few delegations expressed the view that a programme committee, for all practical purposes, would be no different from the Governing Council whether in regular or special session. In fact, it was maintained that the Governing Council had, as its main function, to serve as a programme committee and that, therefore, there was no need to create yet another body.

46. The Committee resolved that there was not sufficient support to warrant the setting up of an executive board. On the other hand, there was general agreement that improvements could be made in the existing arrangements for the working of the Governing Council. The Administrator was requested to prepare a note for the Committee's consideration, at its third session, on arrangements which might improve, within the context of its existing structure, the working methods of the Governing Council for consideration of programme matters, including the implications and possible methods of work for a programme committee set up along the lines of the Budgetary and Finance Committee.

47. Pursuant to this request, the Committee had before it, at its third session, document DP/1983/ICW/12. In the discussion thereon, many delegations favoured the proposal to establish a programme committee along the lines described in paragraphs 8 and 9 of document DP/1983/ICW/12 provided that it would not lead to an increase in the number of meetings, particularly because of the strain this would impose on smaller delegations. Several delegations emphasized that, while supporting the general idea of a programme committee, they would only agree to recommend its establishment to the Governing Council upon the understanding that it would not entail an increase in meetings. The majority felt that a programme committee should be a committee of the whole of the UNDP Governing Council. Agreement was reached that it should be set up on a trial basis and reviewed after a period of about three years. It was understood that if a programme committee was started, the need for special meetings of the Council to discuss programme matters would be obviated. The Council would establish the terms of reference of a programme committee and

decide on its agenda. To ensure a more articulated relationship between current programme planning and programme implementation, delegations suggested that the Council might refer to such a committee, in addition to country programmes, other programme matters on its agenda such as those relating to programme implementation and evaluation. Some delegations further suggested that the Council might wish to assign to a programme committee other subjects such as sectoral reviews. As to the timing of a programme committee, a general preference was expressed that it meet simultaneously with Budgetary and Finance Committee a week before the Council. One delegation remarked that if a programme committee met within the three-week period of the Council session rather than prior to it, it should do so the week following the general policy debate. In addition, some delegations suggested that a programme committee be convened more than once a year, if necessary.

Conclusions

48. The Committee decided to request the Council to endorse the following four points derived from paragraphs 3 to 7 of document DP/1983/ICW/12, in order to improve the working of the Governing Council within existing arrangements:

(a) Briefing meetings and informal consultations between delegations and the secretariat should continue to be held;

(b) Feedback from evaluations and reports on programme implementation into the programme planning process should be enhanced;

(c) A specific portion of the Council's sessions should be allocated to programme matters; when necessary, the possibility of meeting a week prior to the regular session of the Council might be considered;

(d) Concise official documentation should be provided well in advance to delegations; in addition detailed information should be furnished by the secretariat to delegations upon request to help enhance the understanding of the work performed by UNDP.

49. In addition, it recommends that a Programme Committee of the Whole be established on a trial basis and upon the understanding that it would not entail additional meetings. The Committee would be set up along the lines described in paragraphs 8 and 9 of document DP/1983/ICW/12 and taking into account comments made by delegations on the basis of that document at the Intersessional Committee's third session. In this context, the Intersessional Committee reaffirmed that in its work the Programme Committee should be guided by the principles of the Consensus, in particular those relating to country programming and should not detract from the authority delegated to the Administration by the Council. The Governing Council should establish the terms of reference of the Programme Committee.

B. Arrangements for the evaluation of the results
and effectiveness of the programme

50. For its consideration of this topic, the Committee had before it document DP/1983/ICW/6. The Committee, while recognizing that considerable progress had been made in improving evaluation in UNDP in recent years, agreed that there was a need to strengthen this function further. Evaluation should continue to be seen as an essential management tool; its purpose should be to improve the performance of the Programme so as to enhance the quality of technical co-operation funded by UNDP and to provide insights based on experience for future policies and decision making. At the same time, evaluation could provide valuable information to inform Governments on the effectiveness and impact of the Programme.

51. A few delegations considered that insufficient information on the results of the Programme's activities was one reason for the failure of UNDP financial resources to grow; several others considered that this was not an important factor and expressed their satisfaction with the performance of UNDP.

52. There was general support for the specific improvements identified in section IV (paras. 39-57) of document DP/1983/ICW/6. Many delegations particularly supported the proposal to introduce ex post evaluations of projects some time after they had been completed in order to assess their long-term impact, although some suggested that the number of such evaluations would need to be limited. There was also widespread interest in the proposed annual assessment of the results of tripartite reviews and evaluations, which it was thought would provide extremely important information to the Governing Council. Many delegations agreed that thematic evaluations should continue, and should examine broad operational issues exemplified through an analysis of specific types of projects. Most delegations emphasized the importance of close collaboration with the specialized agencies and of developing harmonized evaluation procedures and methodology. In this context, the proposal to set up an informal working group of UNDP and the agencies in order to develop the system of evaluation further was welcomed. Most delegations recognized that recipient Governments stand to benefit from the results of evaluation; considerable importance was attached to the collaboration of UNDP with recipient Governments and it was felt that this could be helpful in increasing developing countries' evaluation capability.

53. The majority of speakers were in favour of establishing a central evaluation unit in UNDP, along the lines described in section VI of document DP/1983/ICW/6 and with the functions described in paragraph 65 of that document; one representative, however, thought that the unit should focus only on ex post evaluations. Most of these delegations considered that the unit should report to the Administrator in order to ensure that the results of its

work would be effectively fed back into operations; considerable stress was placed on the importance of feedback. These delegations were of the view that there was no need for an independent evaluation unit reporting directly to the Governing Council. Several representatives, however, mentioned that greater use could be made of the Joint Inspection Unit (JIU) and the Board of Auditors, especially when the Council felt that it needed additional, independent assessments of particular aspects of the Programme. These delegations also considered that the budgetary implications of the proposed central evaluation unit were acceptable, inasmuch as the suggested new unit would provide substantial benefits in terms of improved cost-effectiveness and better quality in the Programme. One delegation thought that the costs might have been underestimated. Some delegations hoped that the costs could be absorbed within existing resources, at least initially, and the Administrator gave an assurance that this would be possible for 1983. Regarding the staffing of the proposed central evaluation unit, one delegation expressed the opinion that the staff should comprise nationals of all regional groups.

54. Several delegations were of the opinion that the existing system of evaluation and monitoring, and the tripartite system in general, was functioning satisfactorily, although it could be strengthened in various respects. These delegations did not support the proposal to establish a central evaluation unit, which they thought would only add unnecessary cost and expand the bureaucracy at headquarters, whereas evaluation could only be carried out in the field. For this reason, some of them felt that it would be better to strengthen the capacity of UNDP field offices to carry out evaluation. These delegations also considered that, given the current resources constraints, it was inappropriate to expend funds on establishing a new unit; rather such funds would be better spent in the field. The importance of the full participation of the Governments concerned in the evaluation process was also emphasized.

55. A few delegations expressed the view that the existing system for internal monitoring and evaluation should be maintained and strengthened, where appropriate, within existing resources, and that a small central evaluation unit reporting directly to the Governing Council should be established.

56. There was general agreement that it was important not to go beyond the provisions of the Consensus, and that the Consensus provided enough authority to accommodate the proposed improvements in the evaluation system. One representative emphasized the importance of evaluation not only in terms of the Programme's effectiveness but also in considering the interest of recipient countries, which spend large amounts of their own funds on UNDP-assisted projects. In this connection, he pointed to the conclusions of the most recent JIU report (JIU/REP/82/12), which strongly recommended a

stepping up of the United Nations system's role in developing evaluation by Governments. The same representative also considered that there was scope for further informal consultations to achieve an even broader measure of consensus covering evaluation by UNDP.

57. The Administrator proposed, under his existing authority and in order to assist him in discharging his accountability to the Governing Council for the quality and effectiveness of the Programme, to establish a small central evaluation unit within the UNDP secretariat, to be financed in 1983 out of savings in the current budget. Its functions would be to exercise leadership in introducing gradually the improvements in evaluation procedures and practices envisaged in section IV (paras. 39-57) of document DP/1983/ICW/6. The work of the central evaluation unit would in no way substitute for the existing monitoring and evaluation of project activities carried out under the responsibility of the Regional Bureaux and the special-purpose funds.

Conclusions

58. The Intersessional Committee of the Whole noted the statement of the Administrator at the second session of the Committee that, in exercising his authority and in the context of his accountability for the conduct of the Programme, he would take steps to establish a small central evaluation unit along the lines described in section VI of document DP/1983/ICW/6 and that this unit would initially be financed out of savings in the current budget.

C. Measures to promote better understanding of the role and activities of UNDP and of the resource needs of the Programme

59. Introducing this subject and the related paper (DP/1983/ICW/7), the UNDP Director of Information noted that the Programme faces unique difficulties in communication because of the nature of its work and the limited resources for information work. It was impossible to advertise the Programme to the general public of the entire world, and priority was therefore given to the inner circles of decision-makers and others who influence levels of support for UNDP. Because the role and activities of UNDP did not lend themselves readily to public identification and understanding, it required an unusual amount of active articulation and discussion in order to establish and sustain the Programme's identity. As delegations had earlier suggested, participating Governments had key roles to play in generating better understanding and wider debate about UNDP and the role of technical co-operation; assistance by participating United Nations agencies and the United Nations' own Department of Public Information was also important. While there were no dramatic, "miracle" solutions to the information problems of UNDP, one helpful step

would be to make available more information on project achievements, such as had been obtained from about 500 projects in recent months, without overloading information channels and audiences.

60. Delegations generally commended document DP/1983/ICW/7 as an informative and concise treatment of the issues of image and identity faced by UNDP and of the ways in which external, public information on UNDP can support resource mobilization efforts. Delegations from developing countries expressed the view that UNDP and the United Nations system were fairly well known and highly appreciated in their countries which were directly involved in UNDP technical co-operation in support of their own development efforts. One representative suggested it would be a good investment, and would help projects succeed, if projects incorporated an information component to promote their objectives and activities. For audiences in developed countries, however, the image and identity of UNDP were relatively indistinct. To help achieve sharper definition and increased support, it seemed appropriate to focus the limited resources available for UNDP information efforts primarily on the inner circles. Among the suggestions put forward by delegations were: that legislative bodies should receive more information about UNDP, including by direct observation and discussion, in order to help them justify increased contributions to UNDP among their constituencies, especially in a period of economic crisis; that recipient countries could do more to make known their satisfaction to embassies and visiting missions in their countries as well as in other bilateral forums and intergovernmental bodies with the assistance provided by UNDP and its role in co-ordinating the assistance provided by the United Nations system; that information media, which tend to be indifferent to development perspectives and needs, might be reached with material on Programme achievements and on the links between developing countries' economic growth and prosperity in the developed countries; and that non-governmental organizations could perhaps help more in dissemination of the information.

61. Several delegations suggested a number of possible messages which they considered could help make UNDP better known and thus build support for increased voluntary contributions. One way would be to provide more information on the Programme's successes -- for example, in helping to curb illiteracy, control malaria, overcome hunger and develop adequate housing -- such as had recently been obtained for about 500 UNDP-assisted projects. An important theme would be the role of technical co-operation in social and human development, its contribution to economic growth and increased trading capacities in developing countries, and the link between these results and the economic situation in developed countries. Information should also be provided on what might be termed failures caused by the lack of needed financial resources for further UNDP assistance. The need was stressed of achieving full co-operation with the United Nations Department of Public Information, as recommended by the United Nations Information Committee and the General Assembly, in the process of promoting a better understanding of the Programme.

62. The considerable efforts of developing countries themselves should be highlighted, as well as their high satisfaction with the effectiveness of UNDP and the strong bonds of understanding that characterized Government/UNDP co-operation. UNDP work, in full partnership with a country's own aims and organizations, could be cited as a model of international co-operation and the benefits that result for both developing and developed countries could be shown. UNDP was a nucleus, an embryonic element that enabled Governments to multiply each dollar for development and technical co-operation many times over. It was also a practical example of concrete north-south co-operation and of positive interdependence.

63. Several delegations saw a strong need for the three kinds of research-based argumentation, suggested in paragraphs 35-37 of document DP/1983/ICW/7, that must be available for sustained support of the Programme: first, on the function of technical co-operation in the actual experience of developing countries; second, on UNDP assistance to invigorate the trading capacities of developing countries; and third, on UNDP functions in multi-disciplinary design and co-ordination of projects and programmes. One representative also suggested documenting, for use in ministerial discussions within donor countries, how developing countries are affected by the reduced share of UNDP in total technical assistance resources.

Conclusions

64. The Intersessional Committee of the Whole recognized the need for strengthening information work performed by the Administrator and his staff, by Governments of both recipient and donor countries, and by co-operating agencies in the United Nations system. It recommends that the Administrator be encouraged to explore and implement the action proposals suggested in document DP/1983/ICW/7.

IV. ADDITIONAL AND ALTERNATIVE WAYS OF FINANCING AND PROVIDING DEVELOPMENT ASSISTANCE THROUGH UNDP AND THE FUNDS ADMINISTERED BY UNDP

65. The Governing Council had considered this subject at its twenty-ninth session. The document relating to the issue was DP/1982/35. Some of the recommendations were dealt with by the Council in its decision 82/5; the remaining recommendations were to be further studied in consultation with the Administrator with a view to being discussed by the Governing Council at its thirtieth session. Since intersessional consultations were called for, this item was included in the agenda of the Intersessional Committee of the Whole.

66. As certain proposals contained in document DP/1982/35 had been decided upon by the Governing Council at its twenty-ninth session, and as other proposals had been modified in the light of subsequent discussions between UNDP and the specialized agencies and further examination of the proposals within UNDP, the Administrator submitted a report (DP/1983/ICW/13) to the Intersessional Committee at its third session containing those proposals from document DP/1982/35, some in modified form, which he intended to resubmit to the Governing Council for its consideration.

67. With respect to section A of document DP/1983/ICW/13, Contributions in cash and in kind, a number of delegations, at the third session, expressed support for the proposal that contributions in kind should be made in the first instance to the recipient Governments, subject to the strict observation of the provisions of paragraph 10 of the document. A few delegations, however, had doubts about these suggestions fearing that they might blur the nature of such contributions.

68. With respect to section B, Management and other support services on behalf of Governments, delegations generally supported in principle the provisions proposed which, however, gave rise to reservations on the part of some delegations. It was generally emphasized that these provisions must not be allowed to erode the essential multilateral character of the Programme. In this spirit, it was repeatedly stressed that the activities envisaged must remain essentially marginal to Governments' contributions to core resources and to the work of implementing the UNDP Programme. Several delegations stressed the potential benefits of the proposals for the least developed countries. One delegation from a socialist state questioned whether bilateral assistance of certain western countries served to strengthen the independence of recipient countries. Several delegations felt that the proposals contained in subparagraphs b, c and d of paragraph 17 were particularly valuable.

69. Delegations expressed concern about the need for ensuring that the proposals did not erode the central funding mechanism. A number of delegations felt that certain safeguards should be considered to ensure this (establishment of ceilings such as fixed ratios to country IPFs or donor Governments' contributions to UNDP or implementation on an experimental basis). Delegations also favoured laying out a specific methodology for the calculation of costs. A few delegations asked that detailed proposals on this be put to the Governing Council before the implementation of the proposed scheme. Several other delegations considered it premature to lay out conditions for implementing the proposals before some experience and a more concrete sense of the problems involved could be gained. Delegations generally emphasized the need to ensure that UNDP was not subsidizing the proposed activities and expressed concern on any implications these activities might have on staffing levels. One delegation stressed the need to pay

attention to indirect costs incurred. Some delegations pointed to the importance of ensuring co-operation and co-ordination with the executing agencies in implementing the proposals. Several delegations considered that the Council should be provided with annual reports containing information on the development of these activities.

70. In response to the discussion, the Deputy Administrator emphasized that the field office network did not have excess capacity and that this was not a consideration in making the proposals. He stressed that all additional costs incurred through the provision of these proposed services would be fully charged for and that there should therefore be no concern with respect to questions of subsidization and staffing. He felt that it would be impossible to lay down in advance detailed procedures with respect to costs. He indicated that detailed reports would be made to the Council to keep it fully informed and to make an assessment of the experience gained. The Administrator stated that by increasing the donor countries' knowledge of the workings of the multilateral machinery, the proposals would serve to strengthen the multilateral system.

Conclusions

71. The Intersessional Committee of the Whole recommends to the Governing Council that it consider further the proposals contained in document DP/1983/ICW/13 bearing in mind the discussion on this issue of the Committee at its third session reflected in paragraphs 67-70 of the present report and in the light of the additional clarification which the Administrator will give on the methodology for the calculation of the costs for which reimbursement would be requested. If the proposals were adopted by the Governing Council, the Administrator would be required to report annually on the development of these activities and after a period of two years the Council would make an assessment of the experience gained.

V. CONCLUSIONS OF THE INTERSESSIONAL COMMITTEE OF THE WHOLE

72. At its third session the Intersessional Committee of the Whole agreed on the following (extracted from the relevant paragraphs of the present report which are indicated in parentheses at the end of each item):

I. SHORT TERM FINANCING SITUATION

"(a) The Committee noted with appreciation that a few Governments had found it possible to provide additional resources beyond the level of originally pledged contributions so as to alleviate the shortfall of resources experienced by UNDP in the short term and expressed the hope that other Governments would find it possible to make similar supplementary contributions.

"(b) The Committee appealed to all Governments to consider transferring at the end of their respective fiscal years, undisbursed resources or resources from other programmes which could not be disbursed through other channels to UNDP to meet its short-term financing requirements.

"(c) The Committee strongly urged all Governments participating in UNDP to draw attention to the present critical financial situation of UNDP and to the need for providing a higher level of resources to it in all international forums, conferences and similar events." (14)

II. LONGER-TERM FINANCING OF UNDP

"The Intersessional Committee of the Whole, having considered at its third session the proposal contained in document DP/1983/ICW/11, and in the light of its discussions, recommends to the Governing Council to consider the following elements for the adoption of a system for the long-term mobilization of resources:

"(a) The Governing Council would recommend to all Governments to make their best efforts towards the maintenance of the real value of their contributions from year to year as a minimum objective and to inform the Administrator of their intentions at the earliest possible time; the calculations of the amounts required to maintain real values would be done by each Government in respect of its own contributions;

"(b) There would be appropriate informal intergovernmental consultations prior to the annual pledging conference and those Governments in a position to do so would each year make firm pledges for the pledging year and give indicative or tentative statements on their pledges for the following two years, expressed in SDRs if they so chose; other Governments would continue to make annual pledges but on the understanding that all Governments would have regard to the provisions of (a) above;

"(c) Prior to establishing the target level of resources for the programme for a given period, and bearing in mind the technical assistance needs of developing countries, the Administrator would arrange for appropriate informal consultations to be held among all Participating Governments to discuss the Programme's growth with a view to ensuring the maximum possible planning levels consistent with the ability of Participating Governments to provide resources. The outcome of these consultations would be made known to the Governing Council. The Governing Council would take a decision on the overall target for

resources and the implicit rate of growth contained in that target. The objective of these informal consultations should be to ensure a steady growth in Programme resources. It should also be to aim at increasing the number of significant contributors to UNDP and promoting a more equitable pattern of contributions among the donor countries to the Programme.

"Further, the Committee, based on its preliminary discussion of the possibility of introducing a three-year rolling system of pledges and programme implementation without prejudice to the present country programming and IPF arrangements, requested the Administrator to prepare a paper for the consideration of the Governing Council on this issue." (34 and 35)

III. OTHER MATTERS THAT MIGHT FACILITATE THE IMPLEMENTATION OF THE MEASURES FOR THE LONGER-TERM FINANCING OF UNDP INCLUDING, IN PARTICULAR, OPTIONS AND RECOMMENDATIONS FOR STRENGTHENING THE EFFECTIVENESS OF THE WORK OF THE GOVERNING COUNCIL

A. Strengthening the role of the Governing Council and participating Governments in programme planning and programme review

"The Committee decided to request the Council to endorse the following four points derived from paragraphs 3 to 7 of document DP/1983/ICW/12, in order to improve the working of the Governing Council within existing arrangements:

"(a) Briefing meetings and informal consultations between delegations and the secretariat should continue to be held;

"(b) Feedback from evaluations and reports on programme implementation into the programme planning process should be enhanced;

"(c) A specific portion of the Council's sessions should be allocated to programme matters; when necessary, the possibility of meeting a week prior to the regular session of the Council might be considered;

"(d) Concise official documentation should be provided well in advance to delegations; in addition detailed information should be furnished by the secretariat to delegations upon request to help enhance the understanding of the work performed by UNDP.

"In addition, it recommended that a Programme Committee of the whole be established on a trial basis and upon the understanding that it would not entail additional meetings. The Committee would be set up along the lines described in paragraphs 8 and 9 of document DP/1983/ICW/12 and taking into account comments made by delegations on the basis of that document at the Committee's third session. In this context, the Intersessional Committee of the Whole reaffirmed that in its work the Programme Committee should be guided by the principles of the Consensus, in particular those relating to country programming and should not detract from the authority delegated to the Administration by the Council. The Governing Council should establish the terms of reference of the Programme Committee." (48 and 49)

B. Arrangements for the evaluation of the results and effectiveness of the Programme

"The Intersessional Committee of the Whole noted the statement of the Administrator at the second session of the Committee that, in exercising his authority and in the context of his accountability for the conduct of the Programme, he would take steps to establish a small central evaluation unit along the lines described in section VI of document DP/1983/ICW/6 and that this unit would initially be financed out of savings in the current budget." (58)

C. Measures to promote better understanding of the role and activities of UNDP and of the resource needs of the Programme

"The Intersessional Committee of the Whole recognized the need for strengthening information work performed by the Administrator and his staff, by Governments of both recipient and donor countries, and by co-operating agencies in the United Nations system. It recommends that the Administrator be encouraged to explore and implement the action proposals suggested in document DP/1983/ICW/7." (64)

IV. ADDITIONAL AND ALTERNATIVE WAYS OF FINANCING AND PROVIDING DEVELOPMENT ASSISTANCE THROUGH UNDP AND THE FUNDS ADMINISTERED BY UNDP

"The Intersessional Committee of the Whole recommends to the Governing Council that it consider further the proposals contained in DP/1983/ICW/13 bearing in mind the discussion on this issue of the Committee at its third session reflected in paragraphs 67-70 of the present report and in the light of the additional clarification which the Administrator would give on the methodology for the calculation of the costs. If the proposals were adopted by the Governing Council, the Administrator would be required to report annually on the development of these activities and after a period of two years the Council would make an assessment of the experience gained." (71)

Annex I

PROVISIONAL AGENDA OF THE INTERSESSIONAL COMMITTEE
OF THE WHOLE OF THE GOVERNING COUNCIL
ADOPTED AT ITS FIRST SESSION

1. Election of officers
2. Adoption of the agenda
3. Review of the financial resource situation, prospects and needs of UNDP for the third programming cycle, in the light of the Governing Council's appeal to all countries, and in particular to those whose previous contributions may have been below their capacity to pledge, to step up their voluntary contributions (decisions 82/5, I, para. 3)
4. Preliminary consideration of options for longer-term financing of UNDP and work programme of the Committee, bearing in mind the need to mobilize increased resources on an increasingly predictable continuous and assured basis (decision 82/5, II, para. 1 (b))
5. Preliminary consideration of other matters which would facilitate resource mobilization and strengthen the effectiveness of the work of the Governing Council (decision 82/5, II, para. 1 (b))
 - (a) Strengthening the role of the Council and participating Governments in programme planning and programme review
 - (b) Arrangements for the evaluation of the results and of the effectiveness of the Programme
 - (c) Measures to promote a better understanding of the role and activities of UNDP and of the resource needs of the Programme
6. Work programme of the Committee for the consideration of other questions contained in document DP/1982/35 which require further study in consultation with the Administrator (decision 82/5 IV, para. 6)

Annex II

REPRESENTATION AT THE SESSIONS OF THE INTERSESSIONAL
COMMITTEE OF THE WHOLE OF THE GOVERNING COUNCIL

A. Representation at the first session

1. The following members of the Governing Council were represented: Argentina, Austria, Barbados, Belgium, Bhutan, Brazil, Bulgaria, Canada, China, Denmark, Ecuador, Fiji, France, Gabon, Germany, Federal Republic of, Guinea, India, Italy, Japan, Kuwait, Liberia, Malawi, Malaysia, Mali, Mexico, Netherlands, New Zealand, Niger, Norway, Pakistan, Poland, Romania, Rwanda, Somalia, Spain, Sri Lanka, Sweden, Switzerland, Trinidad and Tobago, Tunisia, Turkey, Uganda, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Venezuela, Yemen, Zambia.
2. The following States were represented by observers: Australia, Central African Republic, Chile, Cuba, Czechoslovakia, Egypt, El Salvador, Equatorial Guinea, Finland, German Democratic Republic, Hungary, Jamaica, Lesotho, Mauritania, Morocco, Nepal, Philippines, Syrian Arab Republic, United Republic of Tanzania, Uruguay, Viet Nam, Yugoslavia, Zimbabwe.
3. The following United Nations Secretariat and United Nations bodies were represented: Office of the Director-General for Development and International Economic Co-operation, Department of Technical Co-operation for Development, United Nations Industrial Development Organization, United Nations Centre for Human Settlements, United Nations Fund for Population Activities.
4. The following specialized agencies were represented: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, World Bank.

B. Representation at the second session

1. The following members of the Governing Council were represented: Argentina, Australia, Austria, Barbados, Belgium, Bhutan, Brazil, Bulgaria, Canada, Central African Republic, Chad, China, Denmark, Ecuador, Fiji, Finland, France, German Democratic Republic, Germany, Federal Republic of, Guinea, India, Italy, Japan, Lesotho, Mali, Mexico, Nepal, Netherlands, Niger, Pakistan, Philippines, Poland, Somalia, Spain, Sweden, Switzerland, Trinidad and Tobago, Tunisia, Turkey, Union of Soviet Socialist Republic, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela, Yemen, Yugoslavia, Zambia.

2. The following States were represented by observers: Algeria, Bahamas, Bahrain, Bangladesh, Chile, Costa Rica, Cuba, Czechoslovakia, Democratic People's Republic of Korea, Dominican Republic, Egypt, Ethiopia, Gambia, Greece, Hungary, Indonesia, Iran, Islamic Republic of, Ireland, Israel, Jamaica, Kuwait, Kenya, Libyan Arab Jamahiriya, Luxembourg, Madagascar, Morocco, New Zealand, Norway, Peru, Romania, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Sierra Leone, Sri Lanka, Sudan, Syrian Arab Republic, Thailand, Uganda, Ukrainian Soviet Socialist Republic, Uruguay, Viet Nam.

3. The following United Nations Secretariat offices and United Nations bodies were represented: Office of the Director-General for Development and International Economic Co-operation, Department of Technical Co-operation for Development, United Nations Centre on Transnational Corporations, Economic Commission for Africa, Economic Commission for Western Asia, Office of the United Nations Disaster Relief Co-ordinator, World Food Council, United Nations Conference on Trade and Development, United Nations Industrial Development Organization, United Nations Centre for Human Settlements, United Nations Children's Fund, World Food Programme, Office of the United Nations High Commissioner for Refugees, United Nations Fund for Population Activities.

4. The following specialized agencies and other organizations of the United Nations system were represented: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, World Bank, International Maritime Organization, International Atomic Energy Agency, General Agreement on Tariffs and Trade, International Trade Centre.

C. Representation at the third session

1. The following members of the Governing Council were represented: Argentina, Australia, Austria, Barbados, Belgium, Bhutan, Brazil, Bulgaria, Canada, Central African Republic, Chad, China, Denmark, Fiji, Finland, France, German Democratic Republic, Germany, Federal Republic of, Guinea, India, Italy, Japan, Lesotho, Mali, Mauritania, Mexico, Nepal, Netherlands, Niger, Pakistan, Philippines, Poland, Somalia, Spain, Sweden, Switzerland, Trinidad and Tobago, Tunisia, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela, Yemen, Yugoslavia, Zambia.

2. The following States were represented by observers: Algeria, Bangladesh, Chile, Colombia, Cuba, Czechoslovakia, Democratic People's Republic of Korea, Dominican Republic, Egypt, El Salvador, Equatorial Guinea, Ethiopia, Ghana, Greece, Hungary, Holy See, Iraq, Indonesia, Ireland, Jamaica, Kuwait, Kenya, Liberia, Libyan Arab Jamahiriya, Malawi, Malaysia, Malta, Mozambique, New Zealand, Nigeria, Norway, Paraguay, Peru, Qatar, Romania, Rwanda, Senegal, Sierra Leone, Sri Lanka, Sudan, Syrian Arab Republic, Thailand, Uganda, Uruguay.

3. The following United Nations Secretariat offices and United Nations bodies were represented: Office of the Director-General for Development and International Economic Co-operation, Department of Technical Co-operation for Development, Department for International Economic and Social Affairs, Regional Commissions liaison Office, Office of the United Nations Disaster Relief Co-ordinator, United Nations Conference on Trade and Development, United Nations Industrial Development Organization, United Nations Environment Programme, United Nations Centre for Human Settlements, United Nations Children's Fund, World Food Programme, Office of the United Nations High Commissioner for Refugees, United Nations Fund for Population Activities.

4. The following specialized agencies and other organizations of the United Nations system were represented: International Labour Organisation, Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, World Health Organization, World Bank, International Atomic Energy Agency.

Annex III

RESOURCE PLANNING TABLE FOR UNDP MAIN PROGRAMME 1977-1986 ^{a/}
(Millions of dollars)

Line	Availability of resources	1977	1978	1979	1980	1981	Total	1982	1983	1984	1985	1986	Total 1982-1986
1	I. Available from previous year	(22.5)	129.2	172.0	191.0	115.9	(22.5)	(2.8)	0.0	0.0	0.0	8.1	(2.8)
	II. Resources made available												
2	- Voluntary contributions	524.6	597.2	697.1	716.6	673.6	3 209.1	674.9	690.0	740.0	800.0	860.0	3 764.9
3	- Other income	25.8	49.6	62.5	48.7	28.5	215.1	6.1	10.0	10.0	10.0	15.0	51.1
4	Total resources	527.9	776.0	931.6	956.3	818.0	3 401.7	678.2	700.0	750.0	810.0	883.1	3 813.2
	<u>Use of resources</u>												
	I. Programme expenditure												
	Field programme												
5	- IFF	285.8	387.5	482.8	590.7	649.8	2 396.6	567.8	530.0	500.0	530.0	565.0	2 692.8
6	- SPR	4.2	2.3	2.5	3.3	4.5	16.8	5.0	8.0	10.0	12.0	15.5	50.5
7	- SIS	3.5	3.6	4.7	3.9	1.6	17.3	3.1	3.5	2.4	2.1	2.0	13.1
8	Sub total	293.5	393.4	490.0	597.9	655.9	2 430.7	575.9	541.5	512.4	544.1	582.5	2 756.4
9	- Sectoral support	3.6	3.6	4.7	5.1	5.6	22.6	5.5	4.8	2.9	2.9	3.0	19.1
10	- UNDP/UNEP venture	-	-	-	0.4	0.4	0.8	0.5	0.5	0.5	0.5	0.5	2.5
11	- Agency support cost etc.	43.8	55.4	70.5	83.0	89.9	342.6	77.5	75.8	71.7	76.2	81.6	382.8
12	Sub total field programme	340.9	452.4	565.2	686.4	751.8	2 796.7	659.4	622.6	587.5	623.7	667.6	3 160.8
13	UNDP administrative and programme support expenditure	55.4	60.0	71.4	91.6	104.6	383.0	104.1	114.8	125.8	138.2	149.3	632.2
14	Total programme expenditure	396.3	512.4	636.6	778.0	856.4	3 179.7	763.5	737.4	713.3	761.9	816.9	3 793.0
	II. Changes in reserves etc.												
15	- Transfer to Operational Reserve	15.0	85.0	50.0	25.0	25.0	200.0	(75.3)	(37.4)	36.7	40.0	56.0	20.0
16	- Transfer to UNV and SMF/LDC	4.0	1.0	0.8	0.5	0.2	6.5	-	-	-	-	-	-
17	- Change in working capital	(16.6)	5.6	31.2	36.9	(60.8)	(3.7)	(10.0)	-	-	-	-	(10.0)
18	- Transfer to construc. loan res.	-	-	22.0	-	-	22.0	-	-	-	-	-	-
19	Total use of resources	398.7	604.0	740.6	840.4	820.8	3 404.5	678.2	700.0	750.0	801.9	872.9	3 803.0
20	<u>Balance of resources</u>	<u>129.2</u>	<u>172.0</u>	<u>191.0</u>	<u>115.9</u>	<u>(2.8)</u>	<u>(2.8)</u>	0.0	0.0	0.0	8.1	10.2	10.2

^{a/} As of 6 April 1983

