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POLICY

POLICY REVIEW: MEASURES TO MOBILIZE INCREASED RESOURCES
FOR UNDP ON AN INCREASINGLY PREDICTABLE,
CONTINUOUS AND ASSURED BASIS

Further clarification regarding proposals contained
in document DP/1983/ICW/13: Management and
other support services on behalf of Governments

Note by the Administrator

Summary

This document provides the additional clarification referred to in the conclusions of the Intersessional Committee of the Whole, document DP/1983/5, paragraph 71, concerning the methodology for calculation of the costs for which reimbursement would be requested by UNDP for management and other support services provided to Governments.

The Council's attention is drawn in particular to paragraphs 4 and 5 of this note.

1. At its twenty-ninth session the Governing Council considered questions related to the provision of management and other support services on behalf of Governments (DP/1982/35 and Corr.1) in conjunction with its review of the Administrator's proposals for additional and alternative ways of financing and providing assistance to developing countries through UNDP and the funds administered by it.

2. In its decision 82/5, section IV, the Governing Council decided that this matter, among others on which it had not reached definitive conclusion, should be "further studied in consultation with the Administrator with a view to their being discussed by the Governing Council at its thirtieth session". Following further review by the Administrator of proposed arrangements relating to the provision of management and other support services on behalf of Governments, an amended set of proposals was submitted in document DP/1983/ICW/13 for consideration by the Intersessional Committee of the Whole at its third session in early April 1983.

3. In its report DP/1983/5 on deliberations on the subject, the Intersessional Committee of the Whole recommended that the Governing Council consider further the Administrator's proposals in this regard in light of clarifications to be provided on a methodology for calculating the costs to be incurred for the provision of such services on behalf of Governments.

4. The guidelines to be observed by the Administrator in charging for management services will be as follows. The additional costs that will be incurred under the proposed services would be fully recovered from either the recipient Government or from the Government providing the assistance. The Administrator will ensure that these recovery provisions will avoid any subsidization from UNDP resources or any unwarranted diversion of UNDP staffing in assisting these activities. All direct costs incurred will be charged for fully. Reimbursement will also be sought - where practical - for indirect costs based on the best estimate of costs of services provided.

5. Until some experience has been gained of the type and scope of services which might be required, it is not possible to devise more precise instructions on this subject. As more experience is acquired, the Administrator will develop a more refined and detailed methodology for estimating and charging costs, and will issue more precise instructions. Detailed information would also be provided in the annual report of the Administrator on the development of these activities.