



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/1984/51
17 April 1984

ORIGINAL: ENGLISH

Thirty-first session
June 1984. Geneva
Agenda item 8(f)(iii)

POLICY

OTHER FUNDS AND PROGRAMMES

UNITED NATIONS SUDANO-SAHELIAN OFFICE

UNSO-UNDP/UNEP JOINT VENTURE

Alternative ways and means for financing
the UNSO-UNDP/UNEP joint venture
beyond the 1984-1985 biennium

Report of the Administrator

Summary

In response to the request of the Governing Council at its thirtieth session (decision 83/25), the Administrator is submitting this report on alternative ways and means of financing, beyond the 1984-1985 biennium, the UNDP/UNEP joint venture which assists in carrying out UNSO's desertification control mandate. The report also takes into account General Assembly resolution 38/164 of 19 December 1983 requesting, *inter alia*, the Governing Councils of UNDP and UNEP to continue to provide adequate support for UNSO in order to enable it to respond more adequately to the pressing needs of the countries of the region. The report surveys the various possible sources of financing the joint venture, including UNDP, UNEP and other sources. An examination of the various possibilities indicates that the current methods of financing the joint venture remain the most practical for the time being. These involve the use of the UNDP's administrative budget for administrative support and the Africa and Arab States regional illustrative indicative planning figures (IPFs) for programme support, and the use of UNEP's Fund for the Environment for support to both components of the joint venture budget.

I. BACKGROUND

1. This report is being submitted in accordance with paragraph 6 of decision 83/25 of 24 June 1983, UNSO-UNDP/UNEP joint venture (financial matters), in which the Governing Council of UNDP requested the Administrator, in consultation with the Executive Director of UNEP, to present to the Governing Council at its thirty-first session proposals outlining alternative ways and means for financing the UNSO-UNDP/UNEP joint venture beyond the 1984-1985 biennium so as to ensure that activities aimed at combating desertification in the Sudano-Saharan region continue at an appropriate level.

2. Also relevant, in this connexion, is General Assembly resolution 38/164 of 19 December 1983, paragraph 3, in which the Assembly requested the Governing Council of UNEP and the Governing Council of UNDP to "continue to provide adequate support for the United Nations Sudano-Saharan Office in order to enable it to respond more adequately to the pressing needs of the countries of the Sudano-Saharan region."

3. It may also be noted that the Governing Council of UNEP, in its decision 11/7 of 24 May 1983, authorized the Executive Director to continue the support of UNEP for the joint venture at a level commensurate with the pressing needs of the Sudano-Saharan region.

4. The UNDP/UNEP joint venture was established in 1978 following an invitation by the General Assembly, in its resolution 32/179 of 19 December 1979, Measures to be taken for the benefit of the Sudano-Saharan region, to the Governing Council of UNEP to consider, on the basis of a report by the Executive Director measures to improve institutional arrangements in the Sudano-Saharan region for the purpose of supporting efforts by the countries concerned to combat desertification. In its decision 6/11 B of 21 May 1978, the UNEP Governing Council opted for a proposal that the organization and functions of the then United Nations Sahelian Office be enlarged for the purpose of providing the necessary support to the countries concerned, this enterprise to be carried out as an institutional UNDP/UNEP joint venture. The Council of UNEP also authorized the Executive Director to take the necessary measures to implement this proposal and invited the Governing Council of UNDP to give the proposal its favorable consideration. The UNDP Governing Council, in its decision 25/10 of 27 June 1978, endorsed the UNEP Governing Council's decision.

5. These decisions were followed by General Assembly resolution 33/88 of 15 December in which the Assembly, in operative paragraphs 2 and 3:

"[Decided] to designate the United Nations Sahelian Office, in addition to its current functions, as the arm of the United Nations to be responsible for assisting, on behalf of the United Nations Environment Programme, the efforts of the fifteen countries of the Sudano-Sahelian region situated south of the Sahara and north of the Equator to implement the Plan of Action to Combat Desertification; [and]

"[Authorized] to that end, the organizational enlargement of the United Nations Sahelian Office and its regional office at Ouagadougou, without prejudice to the work undertaken in implementation of the recovery and rehabilitation programme in the Sudano-Sahelian region in conformity with the functions of the United Nations Sahelian Office as defined in paragraph 3 of General Assembly resolution 3054 (XXVIII), ...this process to be the joint responsibility of the United Nations Development Programme and the United Nations Environment Programme."

6. The General Assembly, the Economic and Social Council and the Governing Councils of UNDP and UNEP subsequently authorized a continuation of the joint venture, including the allocation of the necessary funds, in equal shares by UNDP and UNEP, to enable UNSO to carry out its expanded mandate. At the time this report is being prepared, the number of countries assisted by UNSO has increased to 19¹/ with 2 more countries, Ghana and Togo, to be added should the UNEP Governing Council so decide at its twelfth session in May 1984, in response to the invitation addressed to it by the General Assembly in its resolution 38/164 of 19 December 1983.

7. UNSO's administrative and programme expenditures are financed entirely from extra-budgetary sources, and the contributions of UNDP and UNEP to the joint venture constitute only a part of UNSO's operating costs. These contributions are used mainly as "seed" money for project identification, formulation and development, and resource mobilization. A description of UNSO's desertification control operations and related work in 1983 may be found in the annual report of the Administrator to the Governing Council of UNDP on the implementation in the Sudano-Sahelian region of the Plan of Action to Combat Desertification (DP/1984/50). The work described therein is in addition to UNSO's drought-related assistance to the States members of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS), under UNSO's original mandate, which is described in the Secretary-General's report on the implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Sahelian region (A/39/...).

8. Over the years, the joint venture budget has been as follows:

Approved budgets for the UNDP/UNEP
joint venture

	Institutional support budget (Net in US dollars)	Programme support budget
1978-1979	780 000	600 000
1980-1981	1 632 000	1 750 000
1982-1983	1 630 800	1 800 000
1984-1985	<u>1 973 200</u>	<u>2 000 000</u>
Total	6 016 000	6 150 000

9. In accordance with decision 83/25, the Administrator, in consultation with the Executive Director of UNEP, has surveyed the various possibilities for financing the joint venture beyond the 1984-1985 biennium. The various possibilities examined and the conclusions drawn are presented in the paragraphs below.

II. UNDP SOURCES

A. Interregional indicative planning figure (IPF)

10. This source was examined in view of the fact that UNSO covers two different UNDP regional classifications: Africa and the Arab States. While the use of the interregional IPF would be justifiable on these grounds, an examination of the status of the interregional IPF indicates that there are relatively insufficient funds for allocation to the joint venture.

B. Africa and the Arab States regional IPFs

11 These are the present means of financing UNDP's share of the programme budget of the Joint Venture. The use of these regional IPFs is in line with their purpose of assisting regional technical co-operation projects. Although the Africa regional IPF is also under considerable strain at present, the Administrator believes that the regional IPFs are an appropriate source of financing for the joint venture beyond the 1984-1985 biennium. It should be noted, however, that these regional IPFs most appropriately apply to programme rather than institutional support; i.e., for that component of the joint venture which is used for project formulation and other programme activities of an operational character.

C. UNDP administrative budget

12. This is the present source of the UNDP's contribution to the institutional (administrative) component of the joint venture which is shown as a separate item in the UNDP administrative budget. This is fully in order since UNSO is part of the immediate office of the Administrator, and all UNSO personnel are staff of the UNDP. This source is not only the most appropriate but also the most viable for the purpose of supporting the joint venture beyond the 1984-1985 biennium.^{2/}

D. Others

13. Among other sources examined for financing the joint venture were the Special Measures Fund for Least Developed Countries and Special Programme Resources. After careful review, the Administrator concluded that in view of the past decisions of the Council defining the use of these sources of funding, it would not be appropriate to change any of these accounts for financing the joint venture beyond the 1984-1985 biennium.

III. UNEP SOURCES

A. Special account for combating desertification

14. This account, which was established by the Secretary General in 1979 in accordance with General Assembly resolutions 32/172 of 19 December 1977 and 33/89 of 15 December 1978, could in principle be used for financing the joint venture. This account, however, has insufficient funds, much of it in non-convertible currencies, and would therefore not be a viable means of financing the joint venture.

B. UNEP component of United Nations regular budget

15. Some of UNEP's expenditures are still funded from the United Nations regular budget. The regular budget, however, is limited and designed for restricted, mainly administrative expenditures of UNEP, and the joint venture costs may not be considered appropriate for financing under the UNEP portion of the United Nations regular budget.

C. Fund for the Environment

16. This is the present source of financing UNEP's share of the joint venture, both administrative and programme. Since it is the largest fund of UNEP, the most flexible, and has a special budgetary allocation for combating desertification, including the joint venture, which has been approved by the UNEP Governing Council, it seems to be the most practical means of financing the joint venture beyond the 1984-1985 biennium.

IV. OTHER POSSIBILITIES EXPLORED

A. Voluntary contributions from the Pledging Conference

17. While UNSO is intensifying its efforts to convince Governments to increase their contributions to the United Nations Trust Fund for Sudano-Sahelian Activities through the mechanism of the United Nations Pledging Conference for Development Activities, the current level of contributions pledged for UNSO would not be sufficient to finance the joint venture.

B. United Nations regular budget

18. For reasons similar to those noted in the discussion of the UNEP component of the United Nations regular budget, this does not appear to be a likely or practical means of financing the joint venture. The allocation of funds through the United Nations regular budget is for specific purposes, which often exclude activities financed from voluntary contributions. The regular technical assistance programme does not have desertification control within its purview.

V. CONCLUSION

19. It is clear from this review that most of the sources of finance within UNDP, UNEP and the United Nations itself, do not present practical means of financing the joint venture beyond the 1984-1985 biennium. Unless there is a fundamental change in the situation of some of these resources, the Administrator believes that the present ways and means of financing the joint venture should be maintained for the foreseeable future. These are the UNDP administrative budget, the Africa and the Arab States regional IPFs, and the UNEP Fund for the Environment.

Notes

1/ The countries are Benin, Cameroon, Cape Verde, Chad, Djibouti, Ethiopia, the Gambia, Guinea, Guinea-Bissau, Kenya, Mali, Mauritania, Niger, Nigeria, Senegal, Somalia, Sudan, Uganda and Upper Volta.

2/ UNDP's share of the institutional budget appears as a separate item in the request to the Governing Council for UNDP's administrative budget.