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SUPPORT

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

UNDP FINANCIAL REGULATIONS

Annexes and Amendments to UNDP Financial Regulations

Addendum

Summary

This document contains annotated versions of the annexes to the UNDP Financial Regulations which are being proposed for the UNCDF and the UNRFNRE respectively (see document DP/1984/61/Add.1). As explained in paragraph 5 of document DP/1984/61, these annotated versions provide a comparison of the existing text of the UNDP financial regulation and the proposed text of the comparable regulation for the Fund concerned, as well as remarks, where appropriate, indicating in particular the General Assembly resolution or other basis for the wording in the proposed annexes.

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ANNOTATED COMPARATIVE TABLE ON PROPOSED FINANCIAL REGULATIONS FOR UNCDF

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNCDF	Remarks
1.3	These Regulations shall become effective 1 January 1982.	The provisions contained in this annex shall become effective on 1 January 1985.	
2.1(h)(v)	-	a non-governmental organization.	Some UNCDF projects are executed by non-governmental organizations.
2.1(i)	-	"UNCDF" shall mean the United Nations Capital Development Fund established by resolution 2186(XXI) of the United Nations General Assembly.	
2.1(j)	-	"co-operating agency" shall mean an entity authorized by UNCDF to assist a recipient Government in the implementation of one or more components of a project financed by UNCDF;	
2.1(k)	-	"disbursing agent" shall mean an entity authorized by UNCDF to disburse UNCDF project funds and may be a recipient Government, a UNDP Resident Representative, an executing agency or a co-operating agency.	
4.1	Voluntary contributions may be accepted by UNDP from Governments of Member States of the United Nations, of the Specialized Agencies or of the International Atomic Energy Agency.	Voluntary contributions, either in cash or in kind, may be accepted by UNCDF from Governments of Member States of the United Nations, of the Specialized Agencies or of the International Atomic Energy Agency, or from sources other than governments.	See G.A. resolution 2186(XXI), Article IV, paragraph 3.
4.5	Voluntary contributions shall be made in currencies which are readily usable by UNDP, consistent with the need for efficiency and economy of operations, or convertible to the greatest possible extent into currencies readily usable by UNDP.	Voluntary contributions shall be made in currencies that are readily and economically usable by UNCDF or in the national currency of the contributor.	See G.A. resolution 2186(XXI), Article IV, paragraph 6(a).
4.8(a)	By making additional cash contributions as a separately identified part of their voluntary contributions to UNDP, at such levels as the Governing Council shall recommend, to assist in defraying local costs of a general nature associated with projects and which are payable by UNDP or its executing agencies;	-	Not applicable to UNCDF.

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Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNCDF	Remarks
4.9	In accordance with the agreements between the Administrator and the host Governments concerned, host Governments are expected to contribute a substantial portion of the costs of UNDP field offices in cash and in kind. Contributions in kind toward field office costs shall include, for example, land, buildings and other facilities, equipment, materials, supplies and services. Contributions in cash toward field office costs shall be reflected as income in the biennial budget for UNDP.	-	Not applicable to UNCDF.
4.11(c)	In case of default in making the payments required under (b) above, the IPF of the recipient country or the respective inter-country IPF shall be charged with those project costs which would otherwise have been financed from the cost-sharing contribution.	In case of default in making the payments required under (b) above, the Administrator is authorized to reduce, modify or terminate the assistance being financed by the cost-sharing contribution, as he deems necessary.	Revised to omit reference to IPFs which is not applicable to UNCDF and to provide alternative form of protection for UNCDF.
4.12	Whenever the Governing Council has approved assistance on a reimbursable basis in respect of a country programme, the requesting Government shall reimburse the cost of such assistance to UNDP in accordance with an agreement to be concluded between UNDP and the Government concerned.	-	Not applicable to UNCDF.
6.1	UNDP shall have a planning period for the purposes set forth under Article VII. This planning period shall consist of five consecutive calendar years.	-	Not applicable to UNCDF.
6.2	The financial period for the purpose of establishing IPFs (hereinafter referred to as an IPF cycle) shall consist of five consecutive calendar years, which cycle shall coincide with the planning period referred to in Regulation 6.1 above.	-	Not applicable to UNCDF.
7.1	The overall target for voluntary contributions for each planning period shall be established by the Governing Council, normally two years prior to the beginning of a new planning period.	-	Not applicable to UNCDF.
7.2	At least one year prior to the beginning of a new planning period, the Administrator shall submit to the Governing Council for its consideration a plan for the utilization of	-	Not applicable to UNCDF.

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNCDF	Remarks
	expected resources formulated within the framework set forth in Regulations 7.1 above, and 7.3 and 7.4 below. In cases where it would seem that the objective had been overestimated, the Governing Council would take the necessary measures to revise the overall target referred to in Regulation 7.1 above.		
7.4	The Governing Council shall determine the distribution of resources available for programme activities as among country, regional, inter-regional and global IPF programmes, Special Programme Resources, and such other purposes as the Governing Council shall decide.	-	Not applicable to UNCDF.
8.1	In submitting his plan for resource utilization to the Governing Council, the Administrator shall propose for the Council's determination separate IPFs for each country and territory entitled to development assistance, for each region, for interregional and global programmes, and for each other category as may be entitled to an IPF under the decisions of the Governing Council. These IPFs shall be calculated using the criteria and methodology endorsed by the Governing Council.	-	Not applicable to UNCDF.
8.2	The level of individual IPFs may only be changed by the Governing Council on the basis of principles it shall have established.	-	Not applicable to UNCDF.
8.3	To provide for continuity in programming and project implementation, subject to such guidelines as the Governing Council may set forth, the Administrator is authorized to take such measures as are necessary to ensure a smooth transition from one IPF cycle to the next.	-	Not applicable to UNCDF.
8.4	At the end of an IPF cycle, any unexpended balance of an individual IPF shall be available to the recipient of that IPF for expenditure in the next cycle; similarly, any over-expenditure in one cycle shall constitute a first charge against the respective IPF approved for the next IPF cycle.	-	Not applicable to UNCDF.
8.5	Within the respective amounts approved for individual intercountry IPFs, the Administrator shall pre-	-	Not applicable to UNCDF.

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Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNCDF	Remarks
	pare, on the basis of principles laid down by the Governing Council, inter-country programmes to be presented to the Governing Council.		
8.6	Within the respective amounts approved for individual country IPFs, country programmes shall be prepared by Governments and submitted by the Administrator to the Governing Council for approval. The approval of a country programme by the Governing Council signifies the endorsement of the use of UNDP resources towards the achievement of the development objectives specified therein.	-	Not applicable to UNCDF.
8.7	Consistent with the objectives set forth in intercountry programmes and country programmes, as approved by the Governing Council, the Administrator shall plan for the delivery of UNDP assistance to projects at rates expected to achieve the approved levels of the individual IPFs subject to resources reasonably expected to be available.	The Administrator shall plan for the delivery of UNCDF assistance to projects at rates expected to achieve annual expenditure targets subject to the availability of resources.	Revised to exclude references to "intercountry" and "country programmes" and to "IPFs" which are not applicable to UNCDF.
8.8	The Governing Council shall have sole authority to approve UNDP assistance to global projects.	UNCDF assistance to projects shall be in the form of either grants or loans. Loans extended by UNCDF shall have long periods of amortization, low rates of interest, or be free of interest and generally be extended on terms comparing favourably with those of loans extended by other international lending institutions.	See G A resolution 2186(XXI), Article V, paragraphs 1 and 2.
8.10	UNDP assistance to projects approved under Regulations 8.8 and 8.9 above shall be approved on a partially funded basis consistent with the provisions of Regulation 8.7 above and shall be subject to the following arrangements for project implementation:	UNCDF assistance to projects approved under Regulation 8.9 above shall be approved on a partially funded basis consistent with the provisions of Regulation 8.7 above and shall be subject to the following arrangements for project implementation:	Reference to Regulation 8.8 is inappropriate in the case of UNCDF regulations, as amended.
8.10(b)	Agreements shall be entered into between UNDP and executing agencies which are organizations of the United Nations system, specifying the general terms and conditions which are to govern UNDP's assistance to projects for which that organization has been designated as an executing agency;	-	Not applicable to UNCDF.
8.10(d)	Consistent with the overall management responsibility of Governments for their projects, the Administrator shall consult the requesting Government or Governments	Implementation of UNCDF's assistance to a project shall be primarily the responsibility of the requesting Government. Subject to the agreement of the Government concerned, the Administrator may designate	Revised to reflect UNCDF procedures.

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNCDF	Remarks
	concerning the implementation of UNDP's assistance to a project. Keeping in mind the principle of Government execution, first consideration in the selection of an executing agency shall normally be given to organizations of the United Nations system. Such selections shall be subject to the agreement of the requesting Government or Governments;	a co-operating agency to assist the Government in implementing one or more components of the project, or may designate an executing agency to be responsible for project implementation;	
8.10(e)	Under conditions established by the Governing Council, the Administrator is also authorized, subject to the agreement of the requesting Government or Governments, to contract for the services of other agencies, private firms or individual experts in the execution of projects and to assign projects to a governmental or intergovernmental institution or agency not part of the United Nations system, or to UNDP itself for execution;	Under conditions established by the Governing Council, the Administrator is also authorized, subject to the agreement of the requesting Government or Governments, to contract for the services of other agencies, private firms or individual experts in the execution of projects, and to assign projects to a governmental, intergovernmental or non-governmental institution or agency not part of the United Nations system, or to UNDP itself for execution;	Revised to include reference to "non-governmental institution" (see definition for UNCDF of "executing agency" under regulation 2.1(h)(v) above, and to make clear that the reference to UNDP, in this context, is to UNDP/OPE.
8.11	Approval of UNDP's assistance to a project becomes effective upon signature of the project document by the Government or Governments and UNDP and, where appropriate, by an executing agency or other party selected under Regulation 8.10(e) above.	Approval of UNCDF's assistance to a project shall become effective upon signature of the project agreement by the Government or Governments and UNCDF and, where appropriate, by an executing agency or other party selected under Regulation 8.10(e) above, and shall be subject to fulfilment of any conditions precedent contained in the project agreement.	Revised to include reference to fulfilment of conditions precedent in accordance with UNCDF established procedures.
9.7	The proposed biennial budget shall be divided into programmes and programme components, and shall be accompanied by such information annexes and explanatory statements as may be requested by the Governing Council or as the Administrator may deem necessary and useful.	The proposed biennial budget shall be accompanied by such information annexes and explanatory statements as may be requested by the Governing Council or as the Administrator may deem necessary and useful.	Revised to omit reference to "programmes and programme components" which are not applicable to UNCDF.
10.1	The project budget covering UNDP's assistance to the project, as contained in an approved project document, shall constitute the allocation of funds by the Administrator to the executing agency to implement UNDP's assistance to the project. For the purposes of Regulation 10.2 below, the project budget shall be presented in annual segments.	The project budget covering UNCDF's assistance to an approved project, as contained in the Project Agreement between UNCDF and the recipient Government, shall constitute the total allocation of UNCDF funds for the project. For the purposes of Regulation 10.2 below, the project budget shall be presented in annual segments.	Reflects UNCDF established procedures.
10.2	An allocation by the Administrator, which authorizes the incurring of expenditures and the entering into of commitments, shall constitute a ceiling on expenditures for the current year and on commitments for future years in connexion with UNDP's assistance to the project for which the allocation was made.	The UNCDF allocation contained in the Project Agreement constitutes the total UNCDF commitment to the project for the duration of the project against which disbursement authorizations shall be issued by UNCDF annually to the disbursing agent(s).	Reflects UNCDF established procedures.

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10.3	An allocation shall be available for expenditure and for commitment for the duration of the project to which it relates. Following project completion, the project budget shall be revised to reflect actual expenditure incurred and shall constitute the final allocation for UNDP's assistance to the project. The balance of the allocation shall revert to the respective IPF.	The annual disbursement authorization constitutes a ceiling on expenditure for the current year, and shall be issued by UNCDF only upon receipt of a schedule of activities and estimated expenditure for the current year to be submitted by the disbursing agent(s).	Reflects UNCDF established procedures.
10.4	The final allocation for UNDP's assistance to a project made under the provisions of Regulation 10.3 above shall remain available for the period of time required to discharge any outstanding legal obligation of the project. When all legal obligations against the final allocation have been discharged, any balance shall revert to the UNDP Account and shall be classed as miscellaneous income.	Following project completion, UNCDF shall revise the project budget to reflect actual expenditure incurred. The revised budget shall constitute the final allocation of UNCDF assistance to the project.	Equivalent to part of UNDP regulation 10.3.
10.5	-	The final UNCDF allocation to a project made under the provisions of Regulation 10.4 above shall remain available for the period of time required to discharge any outstanding legal obligation of the project. When all legal obligations against the final allocation have been discharged, any balance shall revert to the UNCDF account and shall be classified as miscellaneous income.	Equivalent to UNDP regulation 10.4.
11.5	Transfers between the appropriation lines for the biennium may be made by the Administrator with the concurrence of the Advisory Committee, subject to such limits as the Governing Council may specifically decide.	-	Not applicable to UNCDF.
12.2(b)	A fully funded Reserve for Construction Loans to Governments, for housing for internationally recruited, UNDP-financed field personnel and, exceptionally, for office accommodation. The terms and conditions under which the Administrator may agree to such loans shall be established by the Governing Council. The Administrator shall report annually to the Governing Council on the status of such loans;	-	Not applicable to UNCDF.
13.6	Notwithstanding the provisions of Regulation 13.5 above and within limits and under terms established by the Governing Council, funds may be	Notwithstanding the provisions of Regulation 13.5 above and within limits and under terms established by the Governing Council, funds may be placed	Revised to omit reference to "Construction Loans to Govern-

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	placed in the form of participation in development loans by international or regional development banks or in loans provided under the terms and conditions of the Reserve for Construction Loans to Governments set forth in Regulation 12.2(b).	in the form of participation in development loans by international or regional development banks.	ments" which is not applicable to UNCDF.
13.7	The specific advance approval of the Governing Council shall be required for any loan not clearly authorized under the provisions of these Regulations.	The specific advance approval of the Governing Council shall be required for the placement of surplus funds in any loan not clearly authorized under the provisions of this Article.	Revised to limit application of this regulation to loans made in the placement of surplus funds, as opposed to loans by way of assistance authorized by Regulation 8.8.
14.2	Expenditures for the current year and commitments for future years shall be incurred only after allocations for programme activities, allotments in respect of the biennial budget or other appropriate authorizations have been made in writing under the authority of the Administrator.	Expenditures for the current year and commitments for future years in respect of programme activities shall be incurred only after issuance of the corresponding annual disbursement authorization as provided under Regulation 10.3; and in respect of the biennial budget only after the appropriate authorization has been made in writing under the authority of the Administrator.	Revised to reflect established UNCDF procedures as described in Article X.

ANNOTATED COMPARATIVE TABLE ON PROPOSED FINANCIAL REGULATIONS FOR UNRPNRE

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRPNRE	Remarks
1.3	These Regulations shall become effective 1 January 1982.	The provisions contained in this annex shall become effective 1 January 1985.	
2.1(h)	(iv) the UNDP itself.	(iv) the UNDP; (v) the UNRPNRE itself.	Expanded to include the UNRPNRE itself which executes all UNRPNRE-financed projects (see regulation 8.10(d) below).
2.1(i)	-	"UNRPNRE" shall mean the United Nations Revolving Fund for Natural Resources Exploration, established by resolution 3167(XXVIII) of the United Nations General Assembly.	
2.1(j)	-	"co-operating agency" shall mean an entity authorized by UNRPNRE to assist in the implementation of a project financed by UNRPNRE.	

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRPNRE	Remarks
2.2-C(vii)	-	"co-financing" shall mean an arrangement whereby a government, international financial institution, or public or semi-public institution of natural resources exploration and development contributes to the financing of a project with the agreement of the recipient country and on the understanding that the arrangements for replenishment, in the case of exploration projects, or repayment, in the case of feasibility studies, shall remain unaffected.	See paragraph 20 of DP/142/Rev.1 "Operational Procedures and Administrative Arrangements" of UNRPNRE, which was submitted to the Governing Council at its thirtieth session.
2.2-M	-	"Minimum Work" shall mean the minimum amount of assistance that the UNRPNRE commits itself to provide as described in the project agreement.	See paragraph 48 of DP/142/Rev.1.
4.8	<p>Recipient Governments are expected to assist in defraying costs associated with UNDP supported activities in their countries:</p> <p>(a) By making additional cash contributions as a separately identified part of their voluntary contributions to UNDP, at such levels as the Governing Council shall recommend, to assist in defraying local costs of a general nature associated with projects and which are payable by UNDP or its executing agencies;</p> <p>(b) By making available, either in cash or in kind or both, a substantial part of the project's requirements, normally at least that part payable in local currency, except in cases of hardship. In the light of policies established by the Governing Council, the level, nature and timing of such contributions will be determined in agreement with the recipient Government or Governments and will be described, as appropriate, in the relevant project document.</p>	<p>Recipient participating Governments shall be required to make replenishment contributions, in the case of exploration projects, or repayments, in the case of feasibility studies, in accordance with UNRPNRE's established operational procedures and under terms which shall be specified in the relevant project agreement.</p>	See ECOSOC resolution 1762 (LIV), paragraph 1(i) and paragraphs 15-19 of DP/142/Rev.1.
4.9	<p>In accordance with the agreements between the Administrator and the host Governments concerned, host Governments are expected to contribute a substantial portion of the costs of UNDP field offices in cash and in kind. Contributions in kind toward field office costs shall include, for example, land, buildings and other facilities, equipment, materials, supplies, and services. Contributions in cash toward field office costs shall be reflected as income in the biennial budget for UNDP.</p>	-	Not applicable to UNRPNRE.

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRFNRE	Remarks
4.10	The Administrator is authorized to enter into cost-sharing agreements, including third-party cost sharing agreements provided these have been accepted by the recipient country or countries, subject to such principles as the Governing Council may establish.	The Administrator is authorized to enter into third-party co-financing agreements, provided these have been accepted by the recipient country or countries.	See paragraph 20 of DP/142/Rev.1.
4.11	<p>Cost-sharing agreements and contributions thereunder shall be subject to the following conditions:</p> <p>(a) Contributions shall be denominated in United States dollars; however, the Administrator may accept payment in the local currency of a recipient Government or Governments to the extent the Administrator decides it is needed to meet operational requirements;</p> <p>(b) Contributions shall be paid pursuant to an agreement made between the contributor and the Administrator. Such agreement shall specify that the contributions shall be paid in advance of the implementation of planned activities;</p> <p>(c) In case of default in making the payments required under (b) above, the IPF of the recipient country or the respective inter-country IPF shall be charged with those project costs which would otherwise have been financed from the cost sharing contribution.</p>	<p>Co-financing agreements and contributions thereunder shall be subject to the following conditions:</p> <p>(a) Contributions shall be denominated in United States dollars; however, the Administrator may accept payment in the currency of a donor to the extent the Administrator decides it can be utilized to meet operational requirements;</p> <p>(b) Contributions shall be made pursuant to an agreement made between the contributor and the Administrator. Such agreement shall specify that these contributions shall be made in advance of the implementation of planned activities;</p> <p>(c) In case of default in making the contributions required under (b) above, the Administrator is authorized to reduce, modify or terminate the assistance being financed by the co-financing contributions, as he deems necessary.</p>	Based on text of UNDP regulation, modified to substitute the term "co-financing" in place of "cost-sharing" and to cover possibility of co-financing contribution being made in kind.
4.12	Whenever the Governing Council has approved assistance on a reimbursable basis in respect of a country programme, the requesting Government shall reimburse the cost of such assistance to UNDP in accordance with an agreement to be concluded between UNDP and the Government concerned.	-	Not applicable to UNRFNRE.
4.13	Donations from intergovernmental and non-governmental sources may be accepted by UNDP, for purposes consistent with those of UNDP.	Donations, in cash or in kind, may be accepted by UNRFNRE from intergovernmental and non-governmental institutions, for purposes consistent with those of UNRFNRE.	See ECOSOC resolution 1762 (LIV) paragraph 1(h) (iii).
6.1	UNDP shall have a planning period for the purposes set forth under Article VII. This planning period shall consist of five consecutive calendar years.	-	Not applicable to UNRFNRE.

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRPNRE	Remarks
6.2	The financial period for the purpose of establishing IPFs (hereinafter referred to as an IPF cycle) shall consist of five consecutive calendar years, which cycle shall coincide with the planning period referred to in Regulation 6.1 above.	-	Not applicable to UNRPNRE.
7.1	The overall target for voluntary contributions for each planning period shall be established by the Governing Council, normally two years prior to the beginning of a new planning period.	An overall target for voluntary contributions may be established on a multi-year basis by the Governing Council.	UNDP regulation revised to reflect less formal procedures of UNRPNRE.
7.2	At least one year prior to the beginning of a new planning period, the Administrator shall submit to the Governing Council for its consideration a plan for the utilization of expected resources formulated within the framework set forth in Regulations 7.1 above, and 7.3 and 7.4 below. In cases where it would seem that the objective had been overestimated, the Governing Council would take the necessary measures to revise the overall target referred to in Regulation 7.1 above.	The Administrator shall submit to the Governing Council for its consideration a plan for the utilization of expected resources formulated within the framework set forth in Regulations 7.1 above and 7.3 below.	UNDP regulation revised to reflect less formal procedures of UNRPNRE.
7.3	Subject only to the maintenance on a continuous basis of the Reserves set forth under Article XII and for working capital, and after provision has been made for the biennial budget, all resources of UNDP shall be available to the maximum extent possible for programme activities, including reimbursement of related agency support costs.	After provision has been made for the biennial budget, all resources of UNRPNRE shall be available to the maximum extent possible for programme activities, including reimbursement of related agency support costs.	UNDP regulation revised to omit reference to "reserves" and "working capital" which are not applicable to UNRPNRE.
7.4	The Governing Council shall determine the distribution of resources available for programme activities as among country, regional, inter-regional and global IPF programmes, Special Programme Resources, and such other purposes as the Governing Council shall decide.	-	Not applicable to UNRPNRE.
8.1	In submitting his plan for resource utilization to the Governing Council, the Administrator shall propose for the Council's determination separate IPFs for each country and territory entitled to development assistance, for each region, for interregional and global programmes, and for each other category as may be entitled to an IPF under the decisions of the Governing Council. These IPFs shall be calculated using the criteria and methodology endorsed by the Governing Council.	-	Not applicable to UNRPNRE.

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRFNRE	Remarks
8.2	The level of individual IPFs may only be changed by the Governing Council on the basis of principles it shall have established.	-	Not applicable to UNRFNRE.
8.3	To provide for continuity in programming and project implementation, subject to such guidelines as the Governing Council may set forth, the Administrator is authorized to take such measures as are necessary to ensure a smooth transition from one IPF cycle to the next.	-	Not applicable to UNRFNRE.
8.4	At the end of an IPF cycle, any unexpended balance of an individual IPF shall be available to the recipient of that IPF for expenditure in the next cycle; similarly, any over-expenditure in one cycle shall constitute a first charge against the respective IPF approved for the next IPF cycle.	-	Not applicable to UNRFNRE.
8.5	Within the respective amounts approved for individual intercountry IPFs, the Administrator shall prepare, on the basis of principles laid down by the Governing Council, intercountry programmes to be presented to the Governing Council.	-	Not applicable to UNRFNRE.
8.6	Within the respective amounts approved for individual country IPFs, country programmes shall be prepared by Governments and submitted by the Administrator to the Governing Council for approval. The approval of a country programme by the Governing Council signifies the endorsement of the use of UNDP resources towards the achievement of the development objectives specified therein.	-	Not applicable to UNRFNRE.
8.7	Consistent with the objectives set forth in intercountry programmes and country programmes, as approved by the Governing Council, the Administrator shall plan for the delivery of UNDP assistance to projects at rates expected to achieve the approved levels of the individual IPFs subject to resources reasonably expected to be available.	The Administrator shall plan for the delivery of UNRFNRE assistance to projects in accordance with principles established by the Governing Council.	Revised to exclude reference to "intercountry" and "country programmes" and to "IPFs", which are not applicable to UNRFNRE.
8.8	The Governing Council shall have sole authority to approve UNDP assistance to global projects.	The Governing Council shall approve all projects to be financed by UNRFNRE.	See ECOSOC resolution 1762(LIV), paragraph 1(1).

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRFNRE	Remarks
8.9	Under such limits as the Governing Council may from time to time prescribe, the Administrator is authorized to approve UNDP assistance to country, regional and interregional projects.	Subject to the availability of resources, the Administrator is authorized to approve the Minimum Work requirements of projects to be financed by UNRFNRE as well as small-scale feasibility studies, and shall report each such approval action to the Governing Council at its next regular session.	See paragraph 34 of DP/142/Rev.1, and Governing Council decision 83/20, paragraph 3.
8.10	UNDP assistance to projects approved under Regulations 8.8 and 8.9 above shall be approved on a partially funded basis consistent with the provisions of Regulation 8.7 above and shall be subject to the following arrangements for project implementation:	UNRFNRE assistance approved under Regulations 8.8 and 8.9 above shall be approved on a fully funded basis consistent with the provisions of Regulation 8.7 above and shall be subject to the following arrangements for project implementation:	Revised to substitute the term "fully funded" in place of "partially funded."
8.10(a)	Agreements shall be entered into between UNDP and individual Governments, specifying the general terms and conditions which are to govern UNDP's assistance to projects in their respective countries;	The general terms and conditions which are to govern UNRFNRE's execution of a project in a recipient country shall be specified in the project agreement between UNRFNRE and the respective Government;	See paragraph 44 of DP/142/Rev.1.
8.10(b)	Agreements shall be entered into between UNDP and executing agencies which are organizations of the United Nations system, specifying the general terms and conditions which are to govern UNDP's assistance to projects for which that organization has been designated as an executing agency;	-	Not applicable to UNRFNRE.
8.10(c)	Arrangements for the establishment and financing of a project shall be subject to the agreement of the requesting Government or Governments and UNDP. Arrangements for project implementation shall be subject to the agreement of the requesting Government or Governments, the executing agency, when appropriate, and UNDP and shall be specified in a project document;	Arrangements for the establishment and financing of a project shall be subject to the agreement of the requesting Government or Governments and UNRFNRE. Arrangements for project implementation shall be subject to the agreement of the requesting Government or Governments and UNRFNRE, shall be specified in a project agreement and shall be in accordance with UNRFNRE's established operational procedures;	Revised to omit reference to "executing agency" and to include reference to UNRFNRE's operational procedures.
8.10(d)	Consistent with the overall management responsibility of Governments for their projects, the Administrator shall consult the requesting Government or Governments concerning the implementation of UNDP's assistance to a project. Keeping in mind the principle of Government execution, first consideration in the selection of an executing agency shall normally be given to organizations of the United Nations system. Such selections shall be subject to the agreement of the requesting Government or Governments;	The execution of projects financed by UNRFNRE shall be carried out by UNRFNRE itself;	Reflects UNRFNRE procedures. See ECOSOC resolution 1762(LIV) paragraph 1(k) and paragraphs 26 and 27 of DP/142/Rev.1.

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Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRPNRE	Remarks
8.10(e)	Under conditions established by the Governing Council, the Administrator is also authorized, subject to the agreement of the requesting Government or Governments, to contract for the services of other agencies, private firms or individual experts in the execution of projects and to assign projects to a governmental or intergovernmental institution or agency not part of the United Nations system, or to UNDP itself for execution;	The Administrator is authorized to contract the services of other agencies, private firms or individual experts in the execution of projects;	See paragraph 27 of DP/142/Rev.1.
8.10(f)	Executing agencies authorized by the Governing Council may be reimbursed for their support costs up to levels determined by the Governing Council.	Co-operating agencies may be reimbursed for their support costs up to levels determined by the Governing Council.	Revised only to substitute the term "co-operating agencies" in place of "executing agencies authorized by the Governing Council".
8.11	Approval of UNDP's assistance to a project becomes effective upon signature of the project document by the Government or Governments and UNDP and, where appropriate, by an executing agency or other party selected under Regulation 8.10(e) above.	Approval of UNRPNRE's assistance becomes effective, in accordance with the project agreement, on the date upon which UNRPNRE submits to the Government a notice confirming: (a) the Administrator's approval of the Minimum Work; and (b) UNRPNRE's acceptance of a certificate from a competent official of the Government, confirming that the project agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Government, and is legally binding upon the Government in accordance with its terms.	See paragraph 54 of DP/142/Rev.1 and Article XI of the UNRPNRE standard project agreement.
9.1	The proposed biennial budget shall cover programme support and administrative services. It shall be prepared by the Administrator and shall be related to the plan submitted for the current planning period or, should the biennium span more than one planning period, the current and the following period.	The proposed biennial budget shall cover programme support and administrative services. It shall be prepared by the Administrator.	Revised to omit reference to UNDP's "planning period", which is not applicable to UNRPNRE.
9.7	The proposed biennial budget shall be divided into programmes and programme components, and shall be accompanied by such information annexes and explanatory statements as may be requested by the Governing Council or as the Administrator may deem necessary and useful.	The proposed biennial budget shall be accompanied by such information annexes and explanatory statements as may be requested by the Governing Council or as the Administrator may deem necessary and useful.	Revised to omit reference to "programmes and programme components", which are not applicable to UNRPNRE.
10.1	The project budget covering UNDP's assistance to the project, as contained in an approved project docu-	The Minimum Work as approved by the Administrator and provided for in the project agreement shall constitute the	See paragraph 48 of DP/142/Rev.1.

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Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRFNRE	Remarks
	ment, shall constitute the allocation of funds by the Administrator to the executing agency to implement UNDP's assistance to the project. For the purposes of Regulation 10.2 below, the project budget shall be presented in annual segments.	allocation of funds by the Administrator for the implementation of UNRFNRE's assistance. Unless the Government and UNRFNRE shall otherwise agree, UNRFNRE shall be committed to carrying out that portion of the project activities which is described in the project agreement as the Minimum Work.	
10.2	An allocation by the Administrator, which authorizes the incurring of expenditures and the entering into of commitments, shall constitute a ceiling on expenditures for the current year and on commitments for future years in connexion with UNDP's assistance to the project for which the allocation was made.	Taking into account the results achieved from the implementation of the Minimum Work, UNRFNRE may incur expenditures and enter into commitments up to the total amount approved for the project by the Governing Council, which approval shall constitute the maximum allocation of funds for the implementation of UNRFNRE's assistance. In view of the concept of replenishment and the revolving character of UNRFNRE, the UNRFNRE shall, whenever possible spend less than the maximum allocation for a project, if results obtained in earlier phases of project execution do not justify further work.	See paragraph 21 of DP/142/Rev.1.
10.3	An allocation shall be available for expenditure and for commitment for the duration of the project to which it relates. Following project completion, the project budget shall be revised to reflect actual expenditure incurred and shall constitute the final allocation for UNDP's assistance to the project. The balance of the allocation shall revert to the respective IPF.	An allocation shall be available for expenditure and for commitment for the duration of the project to which it relates. Following project completion, the project budget shall be revised to reflect actual expenditure incurred and shall constitute the final allocation for UNRFNRE's assistance to the project. The balance of the allocation shall revert to the UNRFNRE account.	Revised only to substitute the "UNRFNRE account" in place of "respective IPF."
11.5	Transfers between the appropriation lines for the biennium may be made by the Administrator with the concurrence of the Advisory Committee, subject to such limits as the Governing Council may specifically decide.	-	Not applicable to UNRFNRE.
12.2	Within the UNDP Account, the following reserves shall be established at levels set by the Governing Council: (a) An Operational Reserve, the purpose of which is to guarantee the financial viability and integrity of UNDP. The Reserve shall be fully funded and held in irrevocable and promptly available liquid assets. The elements to be compensated for and covered by it shall be limited to: (i) Downward fluctuations or shortfalls in resources;	-	Not applicable to UNRFNRE.

Regulation	Existing text of UNDP Regulation	Proposed text of Regulation for UNRFNRE	Remarks
	<p>(ii) Uneven cash flows;</p> <p>(iii) Increases in actual costs as compared to planning estimates or fluctuations in delivery; and</p> <p>(iv) Other contingencies which result in a loss of resources for which UNDP has made commitments for programming;</p> <p>The decision to make a drawdown from the Operational Reserve shall rest solely with the Administrator, who will report all drawdowns to the Governing Council at its next regular session and between sessions, to Members of the Governing Council as may be prescribed by the Council or whenever the situation in the Administrator's opinion so merits;</p> <p>(b) A fully funded Reserve for Construction Loans to Governments, for housing for internationally recruited, UNDP-financed field personnel and, exceptionally, for office accommodation. The terms and conditions under which the Administrator may agree to such loans shall be established by the Governing Council. The Administrator shall report annually to the Governing Council on the status of such loans;</p> <p>(c) Such other reserves as may be approved by the Council.</p>		
12.3	<p>Separate accounts shall be maintained for all reserves within the UNDP Account and for each Fund, Programme, other accounting entity and trust fund administered by UNDP.</p>	<p>Separate accounts shall be maintained for any trust fund or other accounting entity administered by UNRFNRE.</p>	<p>Revised to omit references to "reserves," "Fund" and "Programme," which are not appropriate in the case of UNRFNRE.</p>
13.6	<p>Notwithstanding the provisions of Regulation 13.5 above and within limits and under terms established by the Governing Council, funds may be placed in the form of participation in development loans by international or regional development banks or in loans provided under the terms and conditions of the Reserve for Construction Loans to Governments set forth in Regulation 12.2(b).</p>	<p>Notwithstanding the provisions of Regulation 13.5 above and within limits and under terms established by the Governing Council, funds may be placed in the form of participation in development loans by international or regional development banks.</p>	<p>Revised only to omit reference to "Construction Loans to Governments."</p>

