BUDGETARY AND FINANCE COMMITTEE
Thirty-first session
June 1984, Geneva
Agenda item 10

AMENDMENTS TO THE DRAFT REPORT OF THE BUDGETARY AND FINANCE COMMITTEE

Rapporteur: Mr. Miguel Angel ORTEGA-NALDA (Mexico)

1. During the Budgetary and Finance Committee's consideration of its draft report, contained in documents DP/1984/BFC/L.2 and Corr.1, L.2/ANNEX, L.2/Add.1-4, L.2/Add.4/Corr.1, L.2/Add.5-8, L.2/Add.8/ANNEX, L.2/Add.9-12, L.2/Add.12/ANNEX, L.2/Add.13-16, L.2/Add.16/ANNEX, L.2/Add.17 and ANNEX, L.2/Add.18 and ANNEX, L.2/Add.19, L.2/Add.20 and ANNEX, L.2/Add.21-24, and L.2/Add.24/ANNEX, a number of amendments were proposed and adopted. These amendments are listed below in the order of the addendum to which they were made.

L.2/Add.1: Assistance to Namibia

2. In paragraph 7, add the following phrase to the end of operative paragraph (a) of the draft decision: and the views expressed by members of the Council in the course of its discussions thereon.

L.2/Add.2: Annual review of the financial situation, 1983

3. In paragraph 6, the third sentence should read as follows: Another member noted that it was self-evident that Governments participating in cost-sharing activities should meet the cost to UNDP of the additional workload resulting from such activities.

4. In paragraph 6, the last sentence should be replaced with the following: One member stated that his Government's current contributions in non-convertible currencies since 1976 were, according to the Administrator, being fully utilized and that therefore there was no real problem in utilizing these currencies; he further stated that his Government paid half of the accumulated currencies to the United Nations Special Fund in 1959-1965 and not to UNDP.
4. In paragraph 6, the last sentence should be replaced with the following:
One member stated that his Government's current contributions in non-convertible currencies since 1976 were, according to the Administrator, being fully utilized and that therefore there was no real problem in utilizing these currencies; he further stated that his Government paid half of the accumulated currencies to the United Nations Special Fund in 1959-1965 and not to UNDP.

5. In paragraph 7, the first part of the fourth sentence, which is set off by a semi-colon, should read as follows: In this connection, some members noted that the Governing Council in its decision 80/44 set 12 per cent of total programme cost as an initial policy objective for UNDP's administrative budget.

6. In paragraph 7, new fourth and fifth sentences should be inserted which read as follows: One member, on behalf of a group of delegations, stated that total support cost reimbursement to ITU in percentage terms was less than for other executing agencies and requested clarification as to whether ITU had been reimbursed at a lower rate than for other executing agencies. In reply, the Assistant Administrator stated that ITU had been reimbursed in the same way as had other executing agencies.

7. In paragraph 11, a new operative paragraph (b) should be added to the decision which reads as follows: Encourages the Administrator to continue to make available for projects and programmes in developing countries the maximum possible level of resources in conformity with the financial viability of the programme. The following operative paragraphs should be relettered accordingly. In new operative paragraph (d), for Calls upon read Urges. In addition insert in a position to do so after Governments.

L.2/Add.3/ANNEX: Trust funds established by the Administrator, 1983

8. After the text of the recommendation of the Committee, the following summary of further discussion should be added:

Further discussion in the Committee

9. In further discussion, a number of members, representing practically all major donors, considered that the Administrator should not accept any more accumulating non-convertible currencies into the trust fund for training in the USSR. They unanimously stated that this trust fund did not correspond to the true nature of multilateralism and that while it may not have violated the letter of the Financial Regulations, it clearly was not in the spirit of these Regulations.

10. One member stated that all legal formalities had been observed in the establishment of this trust fund and the matter had been reviewed by the ACABQ. He suggested that as long as the current Regulations were in effect, this was an entirely legitimate trust fund.
L.2/Add.4: UNDP Financial Regulations: guidelines for the procurement of equipment, supplies and services

11. In paragraph 7, first sentence, delete several. In the fourth sentence, the following phrase should be added to the end of the sentence: particularly recipient countries. In addition, a new-seventh sentence should be inserted which reads as follows: One member, supported by others, stated that due to the multilateral character of UNDP, the principle of equitable geographic distribution is more important. Finally, the following phrase should be deleted from the last sentence: recognized the difficulties involved in promulgating them and therefore.

12. In paragraph 8, second sentence, replace interested Governments with the Governing Council.

L.2/Add.5: Action taken in response to General Assembly resolution 37/228

13. In paragraph 6, the following phrase should be deleted from the operative paragraph of the draft decision: of its view.

L.2/Add.9: Sectoral support

14. In paragraph 10, the third sentence should read as follows: UNDP resident representatives and field offices should be kept fully informed of planned missions and should serve as intermediaries with recipient Governments during field discussions. The following phrase should be added to the end of the fourth sentence: but nevertheless could play a useful co-ordinating role. The last sentence should read as follows: In some cases, short-term consultants should be considered as an alternative.

15. In paragraph 12, fourth sentence, insert not before sharing; delete of after sharing.

16. In paragraph 13, first sentence, insert deep before apprehension; also, add the following phrase to the end of the sentence: and would fully finance the SIDFAs. In addition, the following new second sentence should be inserted: They felt that such a development could counteract the co-ordinating role of UNDP field offices.

17. In paragraph 15, for One delegate read Some delegates.

18. In paragraph 27, operative paragraph (c) of the draft decision, for while continuing read and urges the Administrator to continue. The following new operative paragraph (d) should be inserted: Urges continued close collaboration of SIDFAs with other United Nations agency field representatives under the co-ordination of the resident co-ordinator. The succeeding operative paragraphs should be relettered accordingly. In new operative paragraph (g), for to ensure that sectoral advisors or SIDFAs read to ensure that all sectoral advisors concerned. In addition, existing operative paragraph (g) should be deleted.
L.2/Add.20: Additional allocation from Special Programme Resources for the promotion of action-oriented TCDC activities

19. In paragraph 4, first sentence, after Special Unit for TCDC insert and stressed the important catalytic effect that the Special Programme Resources allocated for this purpose have proven to have.

20. At the end of paragraph 10, add the following sentence: Other members expressed their support for the current arrangements and recalled that, according to General Assembly resolution 38/20, it was for the developing countries to decide on the use to be given to the resources available from the liquidation of the United Nations EOTF with respect to ECDC and TCDC.

L.2/Add.21: Preparations for the fourth programming cycle

21. In paragraph 3, first sentence, for were generally sympathetic to read had open minds on.

22. To the end of paragraph 5, add the following text: One member asked for clarification as to whether it was the intention to set aside resources contributed in the third cycle for utilization in the fourth cycle. Some members questioned whether there was a real need to provide for such a reserve in light of the flexibility the system had shown in reducing IPF expenditures in the recent past.

23. To the end of paragraph 6, add the following text: The Associate Administrator reaffirmed to the Committee that the proposal before it related solely to the fourth cycle and that no resources of the third cycle were to be used for the proposed new level of the Reserve.

24. In paragraph 7, the draft decision recommended by the Committee for adoption should read as follows:

The Governing Council,

Having reviewed the Administrator's proposal contained in paragraph 17 of DP/1984/27,

Requests the Administrator to submit to the Council at its thirty-second session a detailed report elaborating his suggestions contained in paragraph 17 of DP/1984/27 taking fully into account the views expressed thereon during the debate.
L.2/Add.24/ANNEX: Programmes in energy development

25. In the draft decision recommended by the Committee for adoption by the Council, the following new third preambular paragraph should be inserted: Noting that the Administrator will continue to promote increased participation of the relevant United Nations organizations in the implementation of programmes and projects in the field of energy. In the new fourth preambular paragraph, insert and co-ordinating after funding. The existing third operative paragraph should be deleted and the succeeding operative paragraphs renumbered accordingly. The new third operative paragraph should read as follows: Requests the Administrator to ensure that the activities financed from the Energy Account are harmonized with the regular activities of UNDP. Finally, in the new fourth operative paragraph, after to report insert in a more comprehensive fashion.
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Addendum

L.2/Add.2: Annual review of the financial situation, 1983

1. After paragraph 8, insert the following text:

Further discussion in the Committee

9. A delegate made a proposal whereby a certain part of his country’s accumulating non-convertible currency would be made available to LDCs, at their request, over and above the 55 per cent of the illustrative IPF but well within that figure. This delegate stated that the amount equivalent to $7 million was accumulated prior to the establishment of UNDP and could be used for the proposed purpose, which would constitute a great help to LDCs which were particularly affected by the reductions in IPF expenditure.

10. The Associate Administrator clarified certain of the issues concerned and stated that, following consultations with the United Nations Office of
Legal Affairs, it had been determined that at the time of the amalgamation of the funds which made up UNDP all available resources were subsumed in UNDP with no distribution between funds. Therefore, these funds under consideration were subject to all Financial Regulations and Rules applicable to funds in the UNDP Account. He further stated that if the Council were to agree to the proposal made by a government, the respective funds would have to be removed from the UNDP account into a special Trust Fund.

11. In the discussion several delegates expressed the view that the adoption of the proposal would amount to the establishment of another tied trust fund. In the subsequent discussion, the delegate who made the initial proposal for the utilization of his country's contribution to UNDP revised his proposal to reflect an authorization to the Administrator to find ways to utilize his country accumulated non-convertible contribution in favour of LDCs. The Committee agreed on the text of a decision in this matter as reflected in the recommendation on this item.

2. Renumber the succeeding paragraphs accordingly.

3. In the draft decision recommended by the Committee for adoption by the Council, insert a new operative paragraph (d) which should read as follows:

   (d) Requests the Administrator to investigate various possible alternatives to utilize accumulated non-convertible roubles and report thereon to the thirty-second session of the Governing Council.

4. Reletter the succeeding operative paragraphs accordingly.

L.2/Add.3: Trust funds established by the Administrator

5. In paragraph 4, last sentence, after gone beyond the insert letter of the.
6. In paragraph 5, to the end of the first sentence add the following phrase: and that this trust fund was not tied procurement was confirmed in 1983 by the Associate Administrator. To the end of the paragraph add the following sentence: It was also needed for implementation of TCDC.

L.2/Add.8: Extrabudgetary resources

7. In paragraph 7, first sentence, delete supported by others. To the end of the paragraph add the following two sentences: The general views of this member were supported by several other members. Another member stated that his delegation was of the view that interest earned on cost-sharing balances provided by a recipient Government should be applied to the cost-sharing programme in consultation with the recipient Government.

L.2/Add.10: Audit reports

8. In paragraph 7, insert a new penultimate sentence which reads as follows: Another member suggested to increase the number of agencies using the long form audit report.