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P O L I C Y

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Update of the review and reassessment
and
work plan for 1986-1989 and request for approval authority

Summary

This report of the Executive Director is prepared in response to Governing Council decision 82/20 I, paragraph 2, adopted by the Council at its twenty-ninth session. This document updates the information presented in the "Report of the Executive Director on the review and reassessment of the UNFPA programme for the period 1982-1985" (DP/1982/28), submitted to the Council at its twenty-ninth session, concerning the resource situation, overall resource utilization, the distribution of new programmable resources between country and intercountry activities and the allocations to country activities. It contains information on the implementation of the plans in the "Review and reassessment" in 1984 and the revisions required for 1985. It also includes the work plan for the years 1986-1989 and the request for approval authority. This document is submitted to the Council for its approval in accordance with article VII of the Financial Regulations of the Fund, as approved by the Governing Council in its decision 83/17 III, paragraph 3, adopted at its thirtieth session.

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INTRODUCTION

1. At its twenty-eighth session in June 1981, in view of the resource situation confronting UNFPA, the Governing Council requested the Executive Director, in decision 81/7 I, paragraph 2, to undertake a review and reassessment of the total UNFPA programme for the period 1982-1985. The Executive Director submitted the document entitled, "Report of the Executive Director on the review and reassessment of the UNFPA programme for the period 1982-1985" (DP/1982/28), hereinafter referred to as "Review and reassessment", to the Council at its twenty-ninth session. The Council, in decision 82/20 I, paragraph 2, requested the Executive Director to report to future sessions of the Council on the implementation of the plans outlined in the "Review and reassessment", in connexion with the annual submission of the work plan and request for approval authority.
2. In accordance with the Council's request, the Executive Director submitted a report to the Council at its thirtieth session entitled "Update of the review and reassessment and work plan for 1984-1987 and request for approval authority" (DP/1983/20), and another at its thirty-first session, entitled "Update of the review and reassessment and work plan for 1985-1988 and request for approval authority" (DP/1984/31), hereinafter referred to as the "1984 update of the review and reassessment".
3. The present document describes, in part I, the implementation in 1984 of the plans outlined in the "Review and reassessment" and in the "1984 update of the review and reassessment", as well as the revisions required for the year 1985. It includes in part II the work plan for the years 1986-1989 and the request for approval authority. Beginning with the "1984 update of the review and reassessment", the presentation of the work plan has been changed in view of article VII of the new UNFPA financial regulations, approved by the Council at its thirtieth session in decision 83/17 III, paragraph 3. The new regulation 7.2 requires information on the objectives, programmes and projected financial requirements of UNFPA, together with full information as to the main directions of policy which UNFPA intends to pursue throughout the planning period, as well as a multi-year estimate of resources, programme costs and programme activities subdivided into appropriate functional and geographical categories. This document should be read in conjunction with the "Report of the Executive Director on programme planning" (DP/1984/34), submitted to the Governing Council at its thirty-first session, and the "Report of the Executive Director on the status of financial implementation of Governing Council-approved UNFPA country programmes and projects" (DP/1985/36), being submitted to the Governing Council at its thirty-second session.

I. UPDATE OF THE REVIEW AND REASSESSMENT

A. The resource situation

4. In decision 81/7 I, paragraph 2, the Council authorized UNFPA to assume a constant annual increase in income of 10 per cent for the period 1982-1985,

taking an expected income in 1981 of \$131 million as the basis. However, the Executive Director, in the "Review and reassessment", chose a more conservative approach and calculated the projected income on a lower basis, starting with an expected income in 1982 of \$136 million instead of \$144 million, as follows:

(Millions of US dollars)

<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Total 1982-1985</u>
136	149	164	180	629

These figures became the basis for the determination of both the new programmable resources and the intended allocations for the period 1982-1985, as outlined in detail in the "Review and reassessment".

5. However, since UNFPA income in 1982 amounted to only \$130.9 million and in 1983 to only \$134.7 million, the income assumptions were reduced in the "1984 update of the review and reassessment" to \$559.3 million, and at present - with the actual income for 1982-1984 given and the 1985 income estimated at the level of \$146 million - the total income in the "Review and reassessment" period 1982-1985 will amount to \$550 million.

(Millions of US dollars)

<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Total 1982-1985</u>
130.9	134.7	138.4	146	550

The difference between the income assumptions in 1982 and those of 1985, of about \$79 million, is largely due to the increase in the value of the United States dollar as compared to major European currencies.

B. Overall resource utilization

6. By decision 82/20 I, paragraph 2, the Council endorsed the methodology for determining the amount of new programmable resources as set forth in the "Review and reassessment" document. Given the reduced resource assumptions, as described in the preceding paragraph, the Executive Director presents in table A a revision of the estimates of new programmable resources for the years 1982-1985, using actual income in 1982-1984 as the base. For ease of comparison, the figures as originally presented in 1982 are given in parentheses.

7. Table A shows reduced income assumptions and, correspondingly, reduced operational costs. Similarly, for 1984 and 1985, the additions to the operational reserve have had to be reduced, although these reductions do not jeopardize attainment of the goal set by the Council in decision 81/7 III, paragraph 5, that by 1989, the operational reserve should amount to 25 per cent of contributions. Nevertheless, the table also shows a reduction of new programmable resources for the full four-year period of \$65.9 million (\$511.5 million less \$445.6 million).

Table A. New programmable resources for 1982-1985 as presently estimated,
compared to those estimated for 1982-1985 in 1982 a/
(Millions of US dollars)

	1982 <u>b/</u>	1983 <u>b/</u>	1984 <u>b/</u>	1985	Total 1982-1985	Reduction for period 1982-1985 compared to 1982 estimate
(1) Income	130.9 (136) ^{c/}	134.7 (149)	138.4 (164)	146 (180)	550 (629)	79
(2) Operational costs	22 (24)	22.4 (25)	23.5 (27)	26.5 (29.5)	94.4 (105.5)	11.1
(3) Addition to operational reserve	1 (1)	2 (2)	3 (4)	4 (5)	10 (12)	2
(4) Subtotal (2 plus 3)	23 (25)	24.4 (27)	26.5 (31)	30.5 (34.5)	104.4 (117.5)	13.1
(5) Available as new programmable resources (1 minus 4)	107.9 (111)	110.3 (122)	111.9 (133)	115.5 (145.5)	445.6 (511.5)	65.9

a/ Presented in table E of DP/1982/28.

b/ Figures for 1982, 1983 and 1984 are actual.

c/ Figures in parentheses are those estimated in 1982.

8. In paragraph 27 and table E of the "Review and reassessment", the Executive Director indicated that he would not allocate funds at the then-expected level of programmable resources for 1982-1985 of \$511.5 million until they were actually available, but rather at the expected 1982 level of \$111 million plus the additional 5 per cent overprogramming, and the Council in decision 82/20 I, paragraph 2, endorsed this intention. At the time, this would have meant annual allocations of \$116.5 million (\$111 million plus 5 per cent of \$111 or \$5.5 million) or, for the full four years 1982-1985, of \$466 million, i.e., \$45 million less than the expected total sum of new programmable resources for 1982-1985 of \$511.5 million.

9. It is now evident that this cautious approach was fully justified, as shown by the fact that the new programmable resources of about \$446 million for the period 1982-1985 (table A, line 5) are \$20 million lower than the conservative programming intention of \$466 million, mentioned in the "Review and reassessment". This short-fall, while undesirable for the programme, has been accommodated through managerial means of careful phasings and rephasings of budget allocations.

C. Allocations in 1984 and intended allocations in 1985

10. Project allocations in 1984 totalled \$133.7 million. Table B compares the ceiling for 1984 project allocations set in the "1984 update of the review and reassessment" and the level allowable given actual income in that year.

Table B. Ceiling for 1984 project allocations as set in 1984
and as allowable given actual 1984 income
(Millions of US dollars)

	As set in 1984	As allowable
(1) New programmable resources 1984	114.0	111.9 <u>a/</u>
(2) 5 per cent overprogramming	5.7	5.6
(3) Subtotal (1 plus 2)	119.7	117.5
(4) Carry-forwards from 1983	16.5	16.9
(5) Unallocated resources from 1983	-	2.3
(6) Total intended project allocations	136.2	136.7

a/ Table A, line (5).

11. Table B shows that the project allocations at the end of 1984 of \$133.7 million were \$3 million below the total of allowable allocations of \$136.7 million (in 1983, the comparable figures were \$117.4 million and \$124.6 million).

12. In 1983, the permitted overprogramming of 5 per cent above new programmable resources was not used. This was partly due to the fact that budget allocations were made very cautiously, and partly because of slow implementation of project activities, therefore, leading to considerable rephasings from 1983 to 1984 and leaving an unallocated amount of \$2.3 million at the end of 1983. The factors leading to this less than optimal use of resources were explained in paragraph 13 of the "1984 update of the review and reassessment". In paragraph 14 of that document, several courses of action were identified for UNFPA follow-up. They have been implemented successfully.

13. The year-end 1984 project allocations amounted to \$133.7 million. However, the actual amount of available resources was only \$131.1 million, i.e., \$111.9 million in new programmable resources in 1984, \$16.9 million in carry-forwards from the previous year (allocated but unexpended resources in 1983) and \$2.3 million in unallocated 1983 resources. Thus, the 1984 allocations were \$2.6 million above the actual available resources. This amount of \$2.6 million constitutes only 2.3 per cent of the \$111.9 million new programmable resources, while the maximum permitted overprogramming is 5 per cent of new programmable resources, which would amount to \$5.6 million.

14. It should be noted that the Fund not only increased its allocations from \$117.4 million in 1983 to \$133.7 million in 1984, i.e., by \$16.3 million (or about 14 per cent), but that it was possible at the same time to slightly increase the implementation rate from 86.2 per cent in 1983 to 86.4 per cent in 1984.

15. Project allocations for 1985 are intended as indicated in table C.

Table C. Ceiling for project allocations for 1985
 (Millions of US dollars)

(1) New programmable resources 1985	115.5 <u>a/</u>
(2) 5 per cent overprogramming	5.8
(3) Subtotal (1 plus 2)	121.3
(4) Carry-forwards from 1984	15.6
(5) Savings from operational costs in 1984	0.7
(6) Total intended project allocations	137.6

a/ Table A, line (5).

Of the total amount of 1985 project allocations at \$137.6 million, \$131.8 million are expected to be available in actual resources, while the intended maximum overprogramming will amount to \$5.8 million. In view of the uncertainty about the actual dollar value at the time government pledges will be paid, which determines the level of actual income and the amount of new programmable resources, the Executive Director will continue to balance the allocation decisions in accordance with two potentially conflicting criteria, i.e., cautious but full use of available resources.

16. At the time of the writing of this document, allocations amounting to approximately \$150 million had already been made for 1985. The figure includes \$15.6 million in carry-forwards from 1984 and \$2.6 million of overprogramming of 1984 allocations, which is charged against the new 1985 resources. Thus, the actual allocations for 1985, at the time of the writing of this document, are about \$12.4 million higher than the intended allocations at year-end 1985 of \$137.6 million. These \$12.4 million constitute the allocations at "peak level" during the course of the current year (explained in paras. 30-32 of the "Report of the Executive Director on programme planning" (DP/1984/34)), which is phased into 1986 during the last quarter of 1985.

D. Distribution of allocations between country and intercountry activities

17. According to the "Review and reassessment" (table G.2 and paras. 30 and 31), UNFPA foresaw for 1984 a distribution of allocations between country and intercountry activities as follows:

	(\$)	(%)
Country activities	87.38 million	75
Intercountry activities	29.12 million	25
	<hr/>	<hr/>
Total project allocations	116.50 million	100
	<hr/> <hr/>	<hr/> <hr/>

In the "1984 update of the review and reassessment" (table F), these estimates were revised as follows:

	(\$)	(%)
Country activities	80.0 million	70.2
Intercountry activities	34.0 million	29.8
	<hr/>	<hr/>
Total project allocations	114.0 million	100.0
	<hr/> <hr/>	<hr/> <hr/>

(excluding carry-forwards and overprogramming)

The actual year-end allocations for 1984 stand as follows:

	(\$)	(%)
Country activities	98.7 million	73.9
Intercountry activities	35.0 million	26.1
	<hr/>	<hr/>
Total project allocations	133.7 million	100.0
(including carry-forwards and overprogramming)	<hr/> <hr/>	<hr/> <hr/>

18. The \$35 million for intercountry activities account for 26.1 per cent of all project allocations in 1984 (in 1983 they amounted to 30.4 per cent). Against the level of new programmable resources for 1984 of \$111.9 million, which - according to paragraph 28 of the "Review and reassessment" - is the bench-mark for calculating the 25 per cent limit mandated by the Council in its decision 82/20 I, paragraph 3 (i.e., net of the overprogramming and the carry-forward of table B), intercountry activities amounted to 31.2 per cent (in 1983 they accounted for 32.5 per cent).

19. While UNFPA has not yet been able to meet the target set by the Council of allocating no more than 25 per cent of new programmable resources to intercountry activities, further progress in this direction has been made. Allocations to country activities increased from \$81.6 million in 1983 to \$98.7 million in 1984, i.e., by \$17.1 million or 21 per cent, while allocations to intercountry activities decreased from \$35.8 million in 1983 to \$35 million in 1984, i.e., by \$0.8 million or 2.2 per cent.

20. This decrease in intercountry activities follows those made previously. Expenditures were reduced from \$47.3 million in 1980 to \$42.8 million in 1981, \$33.5 million in 1982, and \$32 million in 1983.

21. Further efforts by UNFPA to reduce intercountry activities are shown in table D, which gives a breakdown by functional category. Reductions were made in all categories, except in the functional category, "information exchange". This exception is due mainly to increased information activities which were directly linked to the International Conference on Population held in August 1984. Without this increase, the overall decrease in intercountry activities from 1983 to 1984 would have amounted to \$1.5 million or 4.2 per cent of the amount for 1983.

Table D. Allocations to intercountry activities 1983 and 1984,
by functional category
(Millions of US dollars)

	1983		1984		Change 1983 to 1984	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Technical assistance and backstopping	18.9	53	17.8	51	(1.1)	(5.8)
Training	6.5	18	6.3	18	(0.2)	(3.1)
Research <u>a/</u>	7.2	20	7.0	20	(0.2)	(2.8)
Information exchange	3.2	9	3.9	11	0.7	21.9
Total	35.8	100	35.0	100	(0.8)	(2.2)

a/ Excluding UNFPA support to WHO/HRP:

	(\$)	(\$)	(\$)	(%)
	5.2	5.0	(0.2)	(3.8)

Table E. Allocations to intercountry activities 1983 and 1984,
by work plan category
 (Millions of US dollars)

	1983		1984		Change 1983 to 1984	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Family planning	7.5	21.0	8.2	23.4	0.7	9.3
Communication and education	7.8	21.8	8.4	24.0	0.6	7.7
Basic data collection	3.4	9.5	2.5	7.1	(0.9)	(26.5)
Population dynamics	7.8	21.8	6.6	18.9	(1.2)	(15.4)
Formulation and evaluation of population policies	2.8	7.8	4.0	11.4	1.2	42.9
Implementation of policies	0.5	1.4	0.06	0.0	(0.44)	(88.0)
Multisector activities	5.4	15.0	4.1	11.7	(1.3)	(24.0)
Special programmes	0.6	1.7	1.2	3.5	0.6	100.0
Total	35.8	100.0	35.0	100.0	(0.8)	(2.2)

22. For 1985, UNFPA expects allocations to country and intercountry activities to range between \$100 million and \$103 million for country activities, and between \$35 million and \$38 million for intercountry activities, i.e., about the same proportion as in 1984.

E. Allocations to country activities

23. Total allocations to country activities in 1984 amounted to \$98.7 million of which \$85.4 million were for country programmes approved by the Council. This is considerably more than had been anticipated in the "Review and reassessment" or in the 1984 update of the review and reassessment.

Table F. Intended and actual project allocations to country activities for 1984
 (Millions of US dollars)

	Intended 1982 ^{a/}	Intended 1984 ^{b/}	Actual 1984
(1) Council approvals up to June 1981	71.0	68.0	78.8 ^{c/} ^{d/}
(2) Council approvals, June 1983 and June 1984	-	3.5	6.6 ^{e/}
(3) Subtotal: All Council approvals	71.0	71.5	85.4 ^{c/}
(4) Other country activities	16.4	8.5	13.3
(5) Total country activities	87.4	80.0	98.7 ^{c/}

^{a/} Tables G.2 and H of DP/1982/28.

^{b/} Table H of DP/1984/31.

^{c/} In addition \$3.5 million from multi-bi resources.

^{d/} In addition \$4.1 million, originally under Council approvals of line (1), later subsumed under Council approvals of line (2).

^{e/} Includes the \$4.1 million mentioned in footnote ^{d/}.

24. While 72.5 per cent of all country allocations in 1984 were made to priority countries, the percentage is considerably higher for allocations made under Governing Council approvals, namely 80 per cent.

25. Of the expected year-end allocations to country activities for 1985 of \$100 to \$103 million (see para. 22), about \$80 million will be allocated to country programmes approved by the Council up to June 1981, thus falling under the "Review and reassessment", or to those approved by the Council in the years 1983-1984 or submitted to the Council for approval in 1985.

F. Allocations to country programmes under the "Review and reassessment"

26. Upon request of the Council at its twenty-eighth session, the Executive Director submitted a report on the "Review and reassessment of the UNFPA programme for the period 1982-1985" (DP/1982/28) to the Council at the twenty-ninth session. In that report, the Executive Director explained that country programmes approved by the Council up to June 1981 still had a balance to be allocated on 1 January 1982 of \$460.75 million. However, resource constraints

would not permit allocation of this full amount in the period originally intended for each individual country or up to the end of 1985. Therefore, the Executive Director submitted to the Council a proposal, which the Council approved in decision 82/20 I, paragraph 2, according to which UNFPA would allocate only \$284.6 million to these programmes and projects between 1982 and 1985 and resubmit all programmes after 1985. With final year-end expenditures of these programmes and projects available for 1982 and 1983, and on the basis of final year-end allocations of 1984 and intended allocations for 1985, the present status is as follows:

Table G. Intended and actual allocations to country programmes and projects approved by the Council up to June 1981 a/
(Millions of US dollars)

	(1) 1982	(2) 1983	(3) 1984	(4) 1985	(5) Total
<u>Africa</u>					
Intended b/	10.4	17.9	17.2	17.6	63.1
Actual c/	7.1	8.8	13.3	12.9	42.1
<u>Asia and the Pacific</u>					
Intended b/	40.6	40.5 d/	35.9 e/	28.7 f/	145.7 d/e/f/
Actual c/	36.5	36.4 d/	49.8 e/	32.1 f/	154.8 d/e/f/
<u>Latin America and the Caribbean</u>					
Intended b/	10.2	10.15	8.25 e/	7.8 f/	36.4 e/f/
Actual c/	9.0	9.8	10.30 e/	6.8 f/	35.9 e/f/
<u>Middle East and Mediterranean</u>					
Intended b/	9.8	10.4	9.7	9.5	39.4
Actual c/	7.7	7.1	8.9	7.5	31.2
<u>All regions</u>					
Intended b/	71.0	78.95 d/	71.05 e/	63.6 f/	284.6 d/e/f/
Actual c/	60.3	62.1 d/	82.3 e/	59.3 f/	264 d/e/f/

a/ Figures include multi-biresources, except for Bangladesh and Nepal, of about \$7.7 million in 1982-1984.

b/ As presented in table H of DP/1982/28.

c/ Amounts for 1982 and 1983 are expenditures; amounts for 1984 are year-end allocations; amounts for 1985 are estimated allocations.

d/ Plus \$1.4 million subsumed under new Council approval (Thailand).

e/ Plus \$3.2 million subsumed under new Council approvals (Thailand, Viet Nam); plus \$0.9 million subsumed under new Council approval (Peru).

f/ Plus about \$3.5 million subsumed under new Council approvals (Thailand, Viet Nam); plus about \$0.8 million subsumed under new Council approval (Peru).

27. Table G shows that, in Africa and to some extent in the Middle East and the Mediterranean region, the expenditures in 1982 and 1983 were considerably lower than intended in the "Review and reassessment". This was due to slow project implementation and resulted in large rephasings and carry-forwards of resources. On the other hand, programmes in Asia and the Pacific advanced more rapidly than had been foreseen in 1982.

28. However, table G also shows that, for all regions combined, the actual flow of resources to the country programmes mentioned in the "Review and reassessment" comes very close to that intended. By the end of 1985, UNFPA expects to have made available to these countries \$264 million. To this sum, about \$10 million (see table G, footnotes d, e and f) should be added which UNFPA will have allocated to three countries (Peru, Thailand, Viet Nam) under new Council approvals in 1983 and 1984, subsuming the balances of these countries under the "Review and reassessment". Had such resubmissions not taken place, the allocations to these countries would have been made in the same amounts, but under the previous Council approvals as revised through the "Review and reassessment". Thus, for the purpose of comparing intended and actual allocations these \$10 million should be added to the \$264 million in table G, column 5, for a total of \$274. Of this amount \$7.7 million were from multi-bi resources and \$266.3 million from UNFPA's regular resources which is 93.6 per cent of the intended amount of \$284.6 million. By comparison, it should be noted that, as shown in table A, line 5, the total of new programmable resources for the period 1982-1985 will amount to only \$445.6 million or 87 per cent of the expected amount of \$511.5 million. The shortfall in resources between 1982 and 1985 was, thus, not borne by the country programmes mentioned in the "Review and reassessment".

29. Some country programmes which fell under the "Review and reassessment" have already been allocated in full, notably, if their balances were small, or will be allocated in full by the end of 1985. In some such cases a new programme has already been approved by the Council (China) or is being submitted to the present session of the Council (Cuba, Nicaragua). In other cases, programmes have been terminated earlier than originally intended and new programmes have been approved by the Council; in those cases balances from previous Council approvals were subsumed under new Council approvals (previously Peru, Thailand, Viet Nam; at the present session Bangladesh, India, Indonesia). The Executive Director intends to continue this process and to resubmit all remaining programmes which the Council approved up to June 1981 to the Council at its thirty-third or thirty-fourth session, unless their balances beyond 1985 are small. However, even in these cases, new large-scale programmes may be submitted in the future.

30. The country programmes approved by the Council up to June 1981 can, thus, be grouped as follows:

(a) Four country programmes were allocated in full by the end of 1984, and five additional country programmes are expected to be allocated in full by the end of 1985;

(b) Three country programmes or projects approved by the Council were terminated prior to full allocation, and their balances were subsumed under new country programmes which the Council approved in 1983 and 1984. Three additional country programmes are being terminated during or at the end of 1985, and their balances are subsumed under new country programmes which UNFPA is submitting to the present session of the Council;

(c) Forty-five country programmes and projects will continue to receive allocations under the "Review and reassessment" in 1985 and to some extent, as a bridging period, in 1986. The Executive Director intends to resubmit about half of these programmes to the Council at its thirty-third and thirty-fourth sessions.

G. New submissions of country programmes and projects to the Council at its thirty-second session

31. The Executive Director is submitting to the Council at its thirty-second session eight comprehensive country programmes (Bangladesh, Cuba, Ghana, India, Indonesia, the Ivory Coast, Sierra Leone and Uganda) and two large-scale country projects in the area of maternal and child health/family planning (Brazil, Nicaragua). They amount to \$136.2 million of which \$111.1 million or 81.6 per cent is for priority countries. By substantive area the breakdown is as follows:

<u>Substantive area</u>	<u>Amount</u> (Millions of US dollars)	<u>Percentage</u>
Family planning	102.7	75.4
Communication and education	18.9	13.9
Basic data collection	2.6	1.9
Population dynamics	4.4	3.2
Formulation and evaluation of population policies	2.3	1.7
Special programmes (mainly for women)	5.3	3.9
Total	<u>136.2</u> =====	<u>100.0</u> =====

32. The distribution by both priority country and substantive area, is in accordance with the instructions of the Council or exceeds them.

The Executive Director wishes to point out this fact, since new decisions made by UNFPA (and approved by the Council) are a better indication of programme trends than the allocations at year's end or actual year-end expenditures, since the latter two are largely influenced by the speed of implementation of programmes and projects over which UNFPA has only limited control. The proportion of resources intended for family planning activities is atypically high, at 75.4 per cent, because four of the programmes or projects submitted are for large countries with projects mainly (India, \$53.4 million; Bangladesh, \$13 million; Indonesia, \$9.8 million) or exclusively (the project in Brazil, at \$15 million) in the area of maternal and child health/family planning.

33. These new submissions are either for countries which recently had no large-scale programme or project assistance from UNFPA (Brazil, Ghana, the Ivory Coast, Sierra Leone, Uganda), for countries with previous country programmes allocated in full (Cuba, Nicaragua) or for countries which still had balances under previous Council approvals which are now subsumed under the new submissions (Bangladesh, India, Indonesia). The Executive Director, thus, continues to follow this approach taken in 1983 and 1984 which found the full support of the Council.

II. WORK PLAN FOR 1986-1989 AND REQUEST FOR APPROVAL AUTHORITY

A. The work plan 1986-1989

34. The UNFPA work plan is a projected programme of assistance based upon income projections, prior commitments and foreseeable needs over the next four years. Until 1983 it was presented by major population sectors in accordance with the "Standard Classification of Population Activities". In view of article VII of UNFPA's new Financial Regulations, adopted by the Council at its thirtieth session in decision 83/17 III, paragraph 3, the presentation of the work plan has been changed and expanded.

35. In its new format, the work plan contains information on the following subjects:

- (a) Estimate of new programmable resources 1986-1989 by year (paras. 37-44);
- (b) General considerations in resource allocations (paras. 45-46);
- (c) Distribution of new programmable resources 1986-1989 between country and intercountry activities (paras. 47-51);
- (d) Average annual distribution of intercountry activities by region for the years 1986-1989 (para. 52);

(e) Trends in distribution of intercountry activities by functional category, for the period 1986-1989 (para. 53);

(f) Average annual distribution of country activities by region for the years 1986-1989 (paras. 54-56);

(g) Details on amounts for country activities already programmed for 1986-1989 (paras. 57-60).

36. It should be noted that the UNFPA work plan is a rolling plan which means that for each new work plan, the earliest year is deleted and one year into the future is added. Since most programmes and projects last for several years, and since allocations are rephased in accordance with the rate of implementation, the calculation of percentage shares to each major sector, geographic region, country etc., on the basis of the actual allocations at year's end of any given year, is potentially misleading. More important are the new decisions being made by UNFPA, even though they are implemented over a period of years. Thus, the actual performance of UNFPA is best measured in examining trends. The text below, therefore, shows the trends in some areas, rather than precise data on a year-by-year basis.

37. The work plan is based upon the income assumptions for the period 1986-1989 which, after deduction of operational costs and of the additions to the operational reserve, determine the estimate of new programmable resources. The income assumptions are also the basis for the requested approval authority.

38. In the "1984 update of the review and reassessment" (table I), the Executive Director presented the work plan for the years 1985-1988. The income assumptions, operational costs, and thus resulting new programmable resources, contained therein, for 1986-1988 were as presented in table H.1.

Table H.1. New programmable resources for 1986-1988 as estimated in 1984
(Millions of US dollars)

	1986	1987	1988	Total 1986-1988
(1) Income	165.0	179.0	194.5	538.5
(2) Operational costs	28.8	31.0	34.0	93.8
(3) Addition to operational reserve	5.0	6.0	8.0	19.0
(4) Subtotal (2 plus 3)	33.8	37.0	42.0	112.8
(5) Available as new programmable resources (1 minus 4)	131.2	142.0	152.5	425.7

39. These income assumptions for 1986-1988 were based upon income assumptions for 1984 of \$142 million and for 1985 of \$152 million. However, the actual income in 1984 amounted to only \$138.4 million, and the income assumption for 1985 has, thus, been reduced to \$146 million (see para. 5 and table A, line 1, above).

40. Consequently, and in using a cautious approach, the Executive Director has reduced the income assumptions for 1986-1988. On the basis of no reductions in the operational costs for 1986-1988 and no changes in the additions to the operational reserve from previous plans, the new programmable resources for 1986-1988 would amount to those shown in line 5 of table H.2 below:

Table H.2 New programmable resources to be expected for 1986-1988 if all figures remain as in table H.1, but income assumption reduced
(Millions of US dollars)

	1986	1987	1988	Total 1986-1988
(1) Income	154.3	163.7	174.0	492.0
(2) Operational costs	28.8	31.0	34.0	93.8
(3) Addition to operational reserve	5.0	6.0	8.0	19.0
(4) Subtotal (2 plus 3)	33.8	37.0	42.0	112.8
(5) Available as new programmable resources (1 minus 4)	120.5	126.7	132.0	379.2

41. A comparison of tables H.1 and H.2 shows that the income assumption for the three years 1986-1988 is reduced from \$538.5 million to \$492 million, i.e., by \$46.5 million, and the new programmable resources for the same period are, thus, reduced by the same amount, namely from \$425.7 million to \$379.2 million. The work plan for 1986-1989 would thus be based upon the figures of table H.2 to which the figures for the resource assumption, operational costs and addition to the operational reserve of the year 1989 would be added.

42. However, in the "Report of the Executive Director on the inclusion of UNFPA Deputy Representatives and other field and headquarters posts into the regular manning table and on the basic manpower requirements of UNFPA" (DP/1985/38), also submitted to the thirty-second session of the Council, the Executive Director proposes that certain posts which were previously funded from programme resources be included in the administrative budget. Financially, the net effect of this proposal is zero. The increase in the administrative budget is offset by decreases in project costs, and the amount of resources available for the "programme in the narrower sense" remains unaffected. This step results in a calculation of new programmable resources, as presented in table I.

Table I. New programmable resources for 1986-1989
(Millions of US dollars)

	1986	1987	1988	1989	Total 1986-1989
(1) Income	154.3	163.7	174.0	186.0	678.0
(2) Administrative budget	25.3	28.6	30.8	33.3	118.0
(3) Overheads	8.7	9.1	9.5	9.8	37.1
(4) Subtotal operational costs (2 plus 3)	34.0	37.7	40.3	43.1	155.1
(5) Additions to operational reserve	4.0	4.0	4.5	5.0	17.5
(6) Subtotal (4 plus 5)	38.0	41.7	44.8	48.1	172.6
(7) Available as new programmable resources (1 minus 6)	116.3	122.0	129.2	137.9	505.4

43. The income assumptions of the work plan 1986-1989 are based upon government contributions for 1985 at the exchange rate of January 1985 and on increases of 5.5, 6, 6.5 and 7 per cent respectively for the years 1986-1989, and upon some expected increases in interest earnings.

44. Additions to the operational reserve have been made since 1982 in the following amounts: 1982, \$1 million; 1983, \$2 million; and 1984, \$3 million. It is proposed that in 1985, 1986 and 1987, they will amount to \$4 million for each year. For 1988 and 1989, UNFPA plans to add to the operational reserve the amounts of \$4.5 million and \$5 million, respectively. The operational reserve which stood at \$20 million in 1981 will, according to this time-table, reach \$42.5 million in 1988 or 25.3 per cent of the presently estimated contributions in 1988 of \$168 million. UNFPA, thus, expects to reach the target of 25 per cent of the estimated contributions of that year one year earlier than mandated by the Council in decision 81/7 III, paragraph 5. Should contributions to UNFPA in 1985-1988 be lower than expected, the additions to the operational reserve will also be smaller. However, the target set by the Council will be achieved by 1988 or 1989.

45. Table I, line 7 shows the expected new programmable resources for 1986-1989 at \$505.4 million. They will be used in accordance with the following instructions by the Council, all of which will be met in full except the one on intercountry activities:

(a) Support to intercountry activities at a level of 25 per cent of new programmable resources;

(b) Support to programmes in priority countries at a level of two thirds of allocations to all country programmes and projects;

(c) Increased shares to family planning and to population communication and education;

(d) The eight specific criteria to be taken into account by the Executive Director in making project allocations, as requested by the Governing Council at its twenty-eighth session in decision 81/7 I, paragraph 8.

46. Since the work plan 1986-1989 is the second one presented in the new format mandated by the new financial regulations of UNFPA and with more details than previously, the following caveat needs to be expressed. By their very nature, all figures in the tables below are tentative, notably for the following reasons:

(a) New programmable resources are estimated at \$505.4 million. However, the increases in income upon which they are based have not yet become reality. For this reason, the Executive Director does not intend to programme at the full level of new programmable resources. At the same time, he does not intend to be over-cautious and programme for the full 1986-1989 period only at the 1985 level either, which would be four times \$115.5 (table A, line 5) or \$462 million. For practical purposes and in order to achieve consistency in presentation, the tables below refer to the full amount of new programmable resources, with the understanding that in a situation of shortfall of resources, the Executive Director will make the required downward adjustments. Such adjustments, while undesirable, appear feasible, since the difference between the higher amount (\$505.4 million) and the lower amount (\$462 million) is only \$43 million or less than \$10 million for each of the four years of the work plan period. Adjustments in these amounts can be undertaken through rephasings. It should also be noted that even after rephasings during the year, the final implementation rate is not likely to be higher than about 90 per cent, which led in the last three years to carry-forwards of allocations with resources in the amounts of \$9.1 million from 1982 to 1983, \$16.5 million from 1983 to 1984 and \$15.6 million from 1984 to 1985;

(b) All tables are net of overprogramming, since at the end of each year the amount allocated beyond available resources becomes a charge against the immediately following year. No increase is requested in the permitted amount of overprogramming, which at present stands at 5 per cent of new

programmable resources. An overprogramming, i.e., allocations at year's end above programmable resources, of more than 5 per cent would appear advisable only if the planning figure of \$505.4 million for the years 1986-1989 would be lowered correspondingly;

(c) The Council has given UNFPA instructions for the allocation of resources by geographical criteria (country versus intercountry activities, priority countries, etc.) as well as by substantive criteria (work plan categories; family planning, communication and education, etc.). In practice, these two aspects need to be balanced against each other, since neither one is or should be the overriding concern. Thus, adjustments in one area for the benefit of the other and vice versa will occur by necessity. While the new submissions of country programmes to this session of the Council meet both sets of instructions of the Council, those referring to priority countries and those referring to substantive areas (see paras. 31-33 above), this may differ from year to year;

(d) It is expected that during the next four years, countries which have not yet done so previously will request assistance from UNFPA, notably in the area of family planning. Such requests - if of major size - will affect allocations to other countries;

(e) While UNFPA intends to allocate the major share of its resources for country activities to country programmes approved by the Council, the formulation as well as implementation of projects in these programmes are sometimes considerably delayed. In such cases, resources reserved for a specific country programme, are made available for other country activities.

Table J. Distribution of new programmable resources between country and intercountry activities 1986-1989
 (Millions of US dollars)

	1986		1987		1988		1989		Total 1986-1989	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Country activities	83.3	71.6	89.0	73.0	95.2	73.7	102.9	74.6	370.4	73.3
Intercountry activities	33.0	28.4	33.0	27.0	34.0	26.3	35.0	25.4	135.0	26.7
Total	116.3	100.0	122.0	100.0	129.2	100.0	137.9	100.0	505.4	100.0

47. Table J shows the intended distribution of new programmable resources between country and intercountry activities. The amount foreseen for intercountry activities has been reduced in view of the intended absorption of some project posts, which were previously financed from intercountry activities, into the administrative budget, as proposed in the "Report of the

Executive Director on the inclusion of UNFPA Deputy Representatives and other field and headquarters posts into the regular manning table and on the basic manpower requirements of UNFPA" (DP/1985/38). This reduction is, however, partially offset by general cost increases which also affect intercountry activities, as well as by the intended increases in the UNFPA contribution to the World Health Organization's Special Programme of Research, Development and Research Training in Human Reproduction (WHO/HRP).

48. The general need for, and the importance of, intercountry activities require no further explanation. The substantive usefulness of providing technical assistance on a regional basis and of conducting training, research and information exchange on a regional or interregional basis, have long been recognized by the Council, for example, in its frequent mentioning of the importance of the work conducted by the regional and interregional centres for demographic training and research. Several UNFPA-conducted evaluations have shown clearly the need to increase technical backstopping and training, notably in Africa. The cost-effectiveness of this approach provides even more of an argument in favour of intercountry activities as long as the resources available for project activities do not increase considerably. The Executive Director, thus, believes strongly that in principle there should be no limits on technical assistance and backstopping and on training at the intercountry level.

49. In spite of these considerations, some further reductions of intercountry activities are foreseen in this work plan, compared to the one submitted in the previous year.

Table K. Reductions of intercountry activities in the work plan 1986-1989, compared to the work plan 1985-1988
 (Millions of US dollars)

	1985	1986	1987	1988	1989	Total 1986-1988
Work plan 1985-1988 <u>a/</u>	34	34	35.5	38	-	107.5
Work plan 1986-1989 <u>b/</u>	-	33	33.0	34	35	100.0
Intended reduction compared to previous work plan	-	1	2.5	4	-	7.5

a/ Table J of DP/1984/31.

b/ Table J above.

50. At the same time, it cannot be denied that the limit of 25 per cent of new programmable resources is not likely to be met. It would be met, if the intended reductions in intercountry activities (see table K) would not be offset by reductions in the total of new programmable resources (see tables H.1, H.2 and I above).

51. It should also be noted that actual allocations to country as well as to intercountry activities are always higher than the amounts shown in table J above, since both are affected by carry-forwards from previous years. The Executive Director, thus, recommends that the issue of intercountry activities be brought to rest, unless the Council wishes to go one step further and to formally change its decision 82/20 I, paragraph 3, by deciding that intercountry activities may amount to about \$35 million or 25 per cent of new programmable resources, whichever is higher.

Table L. Intercountry activities by region, 1986-1989
(Millions of US dollars)

	1983 allocations ^{a/}		1984 allocations ^{a/}		Average annual allocations 1986-1989 ^{b/}	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Africa	5.1	14.2	5.2	14.9	5.7	16.9
Asia and the Pacific	5.5	15.4	5.5	15.7	5.45	16.2
Latin America and the Caribbean	3.5	9.8	3.2	9.2	3.2	9.4
Middle East and Mediterranean	1.7	4.7	1.8	5.1	2.1	6.2
Europe	0.3	0.8	0.5	1.4	0.3	0.9
Interregional and global	19.7	55.1	18.8	53.7	17.0	50.4
Total	35.8	100.0	35.0	100.0	33.75	100.0

a/ Actual.

b/ Intended.

52. Table L shows the intended average annual distribution of intercountry activities by region for the years 1986-1989. The main features are the intended decrease in interregional and global activities and the intended increase in regional activities in Africa.

53. By functional category, the emphasis on technical assistance and back-stopping (1984, 51 per cent) and on training (1984, 18 per cent) will increase. Research activities at the intercountry level are likely to decrease from the present level of 20 per cent, since UNFPA intends to emphasize research at the

country level. However, the decrease will be small in view of the intended increases in the UNFPA contribution to the WHO/HRP programme. The proportion of intercountry allocations to information exchange activities should again decrease after the slight increase due to activities in support of the 1984 International Conference on Population.

54. The distribution of resources for country activities among regions and countries is based upon the following considerations:

(a) Total new programmable resources for country activities 1986-1989 will amount to \$370.4 million, or, on average, to \$92.6 million per year;

(b) The average of allocations by year and region should be close to the totals of annual estimated assistance levels which were developed in line with Council decision 81/7 I, paragraph 8;

(c) Priority countries should receive at least two thirds of all resources for country activities.

55. The actual allocations to country activities among regions will vary from year to year and no precise figures can be given, since the amount of rephasings will largely determine the year-end allocations. However, the intended direction can be shown as presented in table M.

Table M. Country activities by region, 1986-1989
(Millions of US dollars)

	1983		1984		Average annual	
	allocations ^{a/}		allocations ^{a/}		allocations 1986-1989 ^{b/}	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Africa	15.8	19.4	19.8	20.1	21.7	23.4
Asia and the Pacific	44.8	54.9	55.9	56.6	45.0	48.6
Latin America and the Caribbean	11.4	14.0	13.7	13.9	13.5	14.6
Middle East and Mediterranean	9.1	11.1	8.5	8.6	11.7	12.6
Europe	0.5	0.6	0.8	0.8	0.7	0.8
Total	81.6 ^{c/}	100.0	98.7 ^{d/}	100.0	92.6	100.0

a/ Actual.

b/ Intended.

c/ Including carry-forwards from 1982.

d/ Including carry-forwards from 1983.

56. Table M shows that increases are foreseen, notably in comparison to the 1983 and 1984 allocation figures, for Africa and for the Middle East and Mediterranean regions. This is in line with the fact mentioned in table G and paragraph 27 above that these two regions had lower expenditures and allocations than was foreseen in the "Review and reassessment". As a result of this, these two regions also have a large number of programmes which will be resubmitted to the Council in 1986 or 1987. Allocations to countries in the Asia and Pacific region will remain at the 1983 level, but decrease in proportionate share, the allocations in 1984 (\$55.9 million) being an exception in view of high allocations to India (\$26.9 million). Allocations to the Latin America and Caribbean region will increase in absolute amounts, maintaining their percentage share. UNFPA is seeking approval from the Council at its thirty-second session for a family planning project in Brazil, amounting to \$15 million over five years. Without this project in Brazil, which is the sixth most populous country in the world and the fourth most populous developing country and which has received very little assistance from UNFPA up to now, the share of resources to Latin America would decrease.

57. Of the \$370.4 million intended for country activities between 1986 and 1989, \$190 million or 51 per cent have already been programmed in some detail. The figure of \$190 million is the intended allocation between 1986 and 1989 which is based upon country programmes approved by the Council in 1983 and 1984, submitted to the Council in 1985 or already programmed for submission to the Council in 1986. Details on these programmes, referring to countries, are given in the paragraphs below.

58. Of the \$190 million programmed for 1986-1989 under Council approvals (1983 and 1984) or expected Council approvals (1985 and 1986), \$172 million or 90.5 per cent are intended for priority countries. This figure does not imply that it is the intention of UNFPA to gradually increase the amount of resources for priority countries from around 70 per cent to 90 per cent of all country resources. Rather, it indicates that large-scale country programmes which require Council approval are intended mainly in the 53 UNFPA priority countries. The Executive Director will, of course, continue to approve other country programmes and projects under \$1 million under his own authority. However, these projects are approved as and when requested by countries throughout the years, and are not based upon detailed forward planning three to five years ahead of time.

59. Table N below shows the distribution of the programmed amount of \$190 million by region, as well as the percentage of intended country activities in each region with such detailed programmes.

Table N. Total country activities for 1986-1989 and amounts already programmed with percentage shares
(Millions of US dollars)

	(1)	(2)		(3)
	Total country activities 1986-1989 (\$)	Amount already programmed (\$) (%)		Amount already programmed of regional total (dollars of column 2 as % of dollars of column 1) (%)
Africa	86.8	16.9	8.9	19.5
Asia and the Pacific	180.0	147.5	77.6	82.0
Latin America and the Caribbean	54.0	22.0	11.6	40.7
Middle East and Mediterranean	46.8	3.6	1.9	7.7
Europe	2.8	-	-	-
Total	370.4	190.0	100.0	-

60. The distribution of the \$190 million programmed resources for 1986-1989 by substantive area is as follows:

<u>Substantive area</u>	<u>Amount</u> (Millions of US dollars)	<u>Percentage</u>
Family planning	133.0	70.0
Communication and education	28.5	15.0
Basic data collection	4.5	2.4
Population dynamics	14.6	7.8
Formulation and evaluation of population policies	3.4	1.8
Special programmes (mainly for women)	5.6	3.0
	<u>189.6</u>	<u>100.0</u>
	=====	=====

The amount of resources intended for family planning is atypically high with 70 per cent. This is mainly due to the facts that - as shown in table N - only the programme in Asia is already developed almost in full, while programming for the other regions still needs to be undertaken, and that the six largest country programmes in Asia (Bangladesh, China, India,

Indonesia, Pakistan, Viet Nam) have a strong focus on family planning activities. When more programmes for Africa and for the Middle East and Mediterranean region have been developed, the proportion of activities in data collection, population dynamics and population policies is expected to increase.

B. Request for approval authority

61. Table 0 sets out the approval authority which is required to implement the work plan for the period 1986-1989. As in past years, full approval authority has been set at the level of anticipated income (table 0, line 1).

62. Forward approval, as established by Governing Council decision 82/20 I, paragraph 7 comes to 100 per cent of the 1986 level, 75 per cent of the 1986 level for 1987, 50 per cent of the 1986 level for 1988 and 25 per cent of the 1986 level for 1989. The total requested for the period 1986-1989 amounts to \$385.7 million (table 0, line 2).

63. Table 0 also shows the authority granted earlier by the Governing Council in decision 84/21 in the amounts of \$114 million for 1986, \$76 million for 1987 and \$38 million for 1988, or a total of \$228 million for the period 1986-1989 (table 0, line 3).

64. The total net additional approval authority requested is \$157.7 million (table 0, line 4), or 23 per cent of the full amount of \$678 million (table 0, line 1).

Table 0. Request for approval authority
 (Millions of US dollars)

	1986	1987	1988	1989		1986-1989
(1) Full authority	154.3	163.7	174.0	186.0		678.0
(2) Authority requested	154.3	115.7	77.1	38.6		385.7
(3) Previously granted	114.0	76.0	38.0	-		228.0
(4) Net additional approval authority requested	40.3	39.7	39.1	38.6		157.7

III. RECOMMENDATION

65. The Executive Director recommends that the Governing Council:

(a) Approve the update of the review and reassessment as contained in this document;

(b) Approve the work plan for 1986-1989;

(c) Authorize the net additional approval authority in accordance with the work plan in the amounts of:

(i) \$40.3 million for 1986, to bring the total for 1986 to 100 per cent of the 1986 level or \$154.3 million;

(ii) \$39.7 million for 1987, to bring the total for 1987 to 75 per cent of the 1986 level or \$115.7 million;

(iii) \$39.1 million for 1988, to bring the total for 1988 to 50 per cent of the 1986 level or \$77.1 million; and

(iv) 25 per cent of the 1986 level or \$38.6 million for 1989.

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