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**POLICY**

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

BUDGET ESTIMATES FOR THE BIENNIUM 1986-1987

Revised budget estimates for the biennium 1984-1985 and  
budget estimates for the biennium 1986-1987

Report of the Advisory Committee on Administrative  
and Budgetary Questions

1. As provided for in regulation 9.5 of the Financial Regulations of UNDP, the Advisory Committee on Administrative and Budgetary Questions has considered revised budget estimates for 1984-1985 and budget estimates for 1986-1987, both of which are contained in document DP/1985/57 and Corr.1. This document also includes information on the results of the job classification exercise for Professional and General Service posts. In addition, the Committee has considered a revision to the 1986-1987 estimates contained in DP/1985/57/Add.1 and a report on Trust Funds established by the Administrator (DP/1985/59). The Committee also had before it a consolidated report on 1986-1987 Budgetary and Extrabudgetary expenditure estimates (DP/1985/58), and a note by the Administrator on measures to better promote understanding of the role and activities of UNDP and of the resource needs of the programme (DP/1985/8).

Job classification

2. The estimates in document DP/1985/57 and Corr.1 take into account the results of job classification exercises for international Professional posts, as well as New York General Service effective January 1986 and January 1985 respectively.

3. Information on the job classification exercises, which were carried out pursuant to Governing Council decision 79/44, is provided in paragraphs 40-42 of DP/1985/57. As stated in paragraph 42, the total annual impact in budgetary terms amounts to \$0.3 million for Professional and \$0.2 million for General Service posts. Paragraph 42 also provides summaries of net changes by grade levels.

4. The following tables provide information on the totality of the classification exercise both for budgetary and for extrabudgetary posts:

CLASSIFICATION OF UNDP BUDGETARY POSTS  
(core and non-core)

1984-1985 Total posts = 4 064

Subject to classification:

Professional posts .....	717
Headquarters General Service posts .....	<u>400</u>
Total	1 117

Results of classification of Professional posts:

Upgradings	=	155
Downgradings	=	101
No change	=	<u>461</u>
Total		717

Results of classification of Headquarters General Service posts:

Upgradings	=	215
Downgradings	=	61
No change	=	<u>124</u>
Total		400

CLASSIFICATION OF UNDP EXTRABUDGETARY POSTS

1984 Total posts = 235

Subject to classification:

Professional posts	35
Headquarters General Service posts	<u>48</u>
Total	83

Results of classification of Professional posts:

Upgradings	=	6
Downgradings	=	5
No change	=	<u>24</u>
Total		35

Results of classification of Headquarters General Service posts:

Upgradings	=	23
Downgradings	=	7
No change	=	<u>18</u>
Total		48

5. With regard to Professional posts, the Advisory Committee requested a list of upgradings and downgradings of UNDP core and non-core D-1 and D-2 posts (extrabudgetary posts were not affected - see Annex 3-B). The information the Committee received is reproduced in Annex I below.

6. Given the fact that UNDP Professional posts have been graded by applying the ICSC classification standards, the Advisory Committee will interpose no objection to the results as described in DP/1985/57 and in the paragraphs above. The Governing Council may, however, wish to assure itself that the individual results of the exercise, especially with regard to posts at the D-1 level and above, are consistent with its wishes. The Council may also wish to consider whether, as a matter of policy, steps should be taken to correct the grading "pyramid", given what seems to be the ever-decreasing number of lower level posts.

7. For General Service posts, classification standards were jointly developed by the three New York-based organizations in consultation with ICSC, and were approved by ICSC in July 1982; on this basis, the Advisory Committee sees no reason to object to the results. As for the effective date of implementation of the General Service exercise, the Advisory Committee recalls that in decision 84/32 the Council:

"6. Decides that the effective date for implementation of the results of job classification and new salary scale for UNDP General Service staff at headquarters shall be the same as that applied by the Secretary-General for United Nations Headquarters General Service staff; and

7. Authorizes the Administrator to implement the results of job classification and the new salary scale with the prior concurrence of ACABQ, and requests the Administrator to report thereon to the thirty-second session of the Council."

8. The Committee wishes to inform the Council that despite decision 84/32 the new salary scales were implemented in 1984 without prior concurrence of the ACABQ. The Committee was informed by representatives of the Administrator that this was done because the Secretary-General, at very short notice, had decided to implement the new salary scale (effective 1 February 1984) without waiting for the completion of the job classification exercise. The Secretary-General's decision was reported to the General Assembly, at its thirty-ninth session, in document A/C.5/39/26, para. 7. The Committee was informed that the financial implication of this action for UNDP in 1984-1985 was \$1.5 million.

9. As indicated in paragraph 3 above, the annual costs of implementing the classification exercise, over and above the cost of the new salary scales, are estimated at \$200,000. The Advisory Committee was informed that this estimate was based on individual assumptions for each affected staff member in light of the review by the Appointment and Promotion Panel of recommendations for integration into the new seven-grade structure. For purposes of the estimate, it was assumed that staff encumbering posts classified below their current grade would remain at their grade.

10. Although the Secretary-General has, in 1984, announced his intention to implement the results of the General Service job classification exercise with effect from 1 January 1985 (see A/C.5/39/26, para. 7), it has not yet been completed. In the Committee's view, should it not be completed by the end of 1985, the effective date for implementation may very well change.

11. In the case of UNDP, because the United Nations exercise has not been completed, no request in respect of the implementation by UNDP has been made by the Administrator under paragraph 7 of Governing Council decision 84/32, and it will be for the Council to take the appropriate decision in this matter. Since the UNDP exercise is virtually complete, the Council may wish to decide on immediate implementation with an effective date of 1 January 1985. However, should the Council wish to maintain the principle that the effective date for UNDP should be the same as that for the United Nations, it may wish, after dealing with the results of the exercise, to continue the authorization (in so far as actual implementation and the effective date thereof is concerned) contained in paragraph 7 of decision 84/32 and request that the Administrator report to the thirty-third session of the Council.

Revised budget estimates for 1984-1985

12. As indicated in paragraph 43 of DP/1985/57, the original 1984-1985 budget approved by the Governing Council at its thirtieth session amounted to \$356.6 million (gross) and \$279.5 million (net). At its thirty-first session the Council approved revised estimates amounting to \$332.6 million (gross) and \$262.3 million (net), a decrease of \$24 million (gross) and \$17.2 million (net) from the initial estimates. For the reasons described in paragraphs 19-20 and 44-46, the Administrator now proposes to further revise the 1984-1985 budget to \$318.6 million (gross) and \$243.3 million (net), representing a further reduction of \$14 million (gross) and \$19 million (net).

13. The following table shows the factors involved in the latest budget decrease.

(In millions of \$ US)

	Increase/ (decrease) gross	Increase/ (decrease) net
<u>Expenditure estimates</u>		
1. Currency	(11.1)	(11.1)
2. Inflation	( 6.0)	( 6.0)
3. Various cost adjustments	1.7	1.7
4. Volume (OPE)	<u>1.4</u>	<u>1.4</u>
Subtotal	<u>(14.0)</u>	<u>(14.0)</u>
<u>Income estimates</u>		
1. Staff assessment	-	4.2 <u>1/</u>
2. GLOC		(0.5)
3. Reimbursement for agency cost provision:		
(a) OPE	-	1.4
(b) IAPSU	<u>-</u>	<u>(0.1)</u>
Subtotal	<u>-</u>	<u>5.0</u>
Total (Expenditure minus income)	<u>(14.0)</u>	<u>(19.0)</u>

1/ Consists of \$4.5 million - incorporation of 20 points of post adjustment,  
 0.4 million - inflation adjustment  
 (headquarters general service),  
 0.1 million - OPE volume  
 offset by (0.8) million - correction to cost of post calculations.

14. As shown in the table above, the continued strengthening of the US dollar has led to a decrease in requirements of \$11.1 million.
15. The further release of \$6 million is as the result of inflation now being projected at 7.5 per cent in 1985, with a rate of 9 per cent in field offices counterbalanced by a rate of 5 per cent at Headquarters. Previously, inflation for 1985 had been projected at 8 per cent over all.
16. However, as stated in paragraph 20 of DP/1985/57 and Corr.1, the amounts released as a result of currency movements and revised inflation are partly offset by cost adjustments of \$1.7 million due to the job classification exercise relating to headquarters General Service posts; the incorporation of 20 points of post adjustment into professional base salaries; changes in pensionable remuneration; adjustments to the rental of headquarters office space; and adjustments to average costs of posts based on expenditure patterns. Details on these cost adjustments are provided in paragraph 45 of DP/1985/57 and Corr.1.
17. As shown in the table in paragraph 13 above, the decreases are also offset by a \$1.4 million volume increase for OPE. This is explained in paragraph 46 of DP/1985/57 and Corr.1.
18. The Committee notes the statement in paragraph 16 of DP/1985/57 and Corr.1 that the Administrator is seeking extrabudgetary financing for 30 international professional posts in African field offices, with effect from mid-1985. The Committee has been informed that this action will not have any financial implication for the 1984-1985 biennial budget (see para. 24 below).
19. Subject to what it has stated in paragraph 11 above with regard to the implementation of the General Service classification exercise, the Committee recommends approval of the revised 1984-1985 estimates proposed by the Administrator.

#### 1986-1987 biennial budget estimates

##### General outline

20. The budget estimates proposed by the Administrator in DP/1985/57 and Corr.1 for the biennium 1986-1987, excluding the additional request presented in DP/1985/57/Add.1 (see para. 24 below), amount to \$343.3 million (gross) and \$294.4 million (net) an increase of \$24.7 million (gross) and \$51.1 million (net) over the proposed revised estimates for 1984-1985.
21. That the net increase is so much larger than the gross increase is attributable to the fact that, as approved by the Governing Council in decision 84/32, staff assessment has been deleted from both expenditure and income estimates for the 1986-1987 biennium; staff assessment, however, continues to be included in the revised estimates for the 1984-1985 biennium. If the revised 1984-1985 estimates are adjusted so as to be comparable by excluding staff assessment and income from staff assessment, the 1986-1987 estimates would show an increase

of \$66.4 million (gross) and \$51.1 million (net). The following table shows  
 abreakdown of the 1986-1987 increases over the revised 1984-1985 estimates, and for  
 purposes of comparability, isolates the staff assessment factor:

Breakdown of 1986-1987 increases over revised 1984-1985 estimates  
 (in millions of \$ US)

	Increase/ (decrease) excluding staff assessment	Staff assessment	Increase/ (decrease) per DP/1985/57
<hr/>			
A. <u>Increases under gross appropriations</u>			
1. Volume	5.0		
2. Various cost adjustments (ref. para. 85)			
(a) job classification			
(i) headquarters General Service	0.2		
(ii) international Professional	0.9		
(b) within grade increment	8.2		
(c) staff entitlements	6.3		
(d) local staff costing	1.6		
(e) Other			
(i) reimbursement to UNDP (non-core units only)	2.0		
3. Inflation	<u>45.7</u>		
Subtotal A.	<u>69.9</u>		

	Increase/ (decrease) excluding staff assessment	Staff assessment	Increase/ (decrease) per DP/1985/57
<b>B. <u>Decreases under gross appropriations</u></b>			
1. Reimbursement to ICC Geneva and to United Nations	(0.3)		
2. Currency adjustment	(3.2)		
Subtotal B.	(3.5)		
<b>Total gross appropriations</b>	<b>66.4</b>	<b>(41.7)</b>	<b>24.7</b>
<b>C. <u>Increases in income estimates</u></b>			
1. Staff assessment related to volume and various other cost adjustments (ref. para. 85)	6.5		
2. Government local office cost contribution	5.0		
3. Reimbursement for agency cost provision	3.8		
Subtotal income	15.3	(41.7)	(26.4)
<b>Grand total net appropriations</b>	<b>51.1</b>	<b>-</b>	<b>51.1</b>
(Gross appropriations minus income)			

22. The volume increase of \$5 million is, as described in paragraph 22 of DP/1985/57 and Corr.1, "the major feature of the new biennial estimates" and is principally caused by the redeployment of budgetary resources to Africa. As stated in paragraph 22

"despite every attempt to effect this exercise within available resources and to utilize extrabudgetary resources wherever possible, the Administrator has felt compelled to establish temporary posts in 1986 only, pending release of posts from the RIFP countries. This, together with the unavoidable requirement to provide the necessary support costs for this build-up, accounts



for the major part of this volume increase. There is, in addition, a proposal to strengthen the Central Evaluation Office, as well as a strengthening package for the Division of Information at UNDP headquarters (dealt with in more detail in document DP/1985/8). Elsewhere, minor realignment of staff at headquarters and within regions has been accomplished in such a way as to minimize volume increases over all."

23. The following table provides an analysis, by object of expenditure, of the volume increase as it relates to the Africa strengthening and also indicates the level of increases associated with the other proposals referred to above.

A. UNDP core activities

	\$
1. Africa strengthening <u>a/</u>	
Salaries and common staff costs	6 536.3
Temporary assistance/overtime	83.6
Travel	631.8
Contractual services	216.3
General operating expenses	1 437.4
Supplies and materials	282.2
Equipment and vehicles	642.0
Other	<u>-</u>
Total	9 829.6
2. DOI	856.1
3. BPPE (CEO)	514.8
4. Field (excluding Africa strengthening)	(7 305.3)
5. Headquarters (excluding DOI, BPPE and RBA)	<u>( 835.7)</u>
Total core	<u>3 059.5</u>

B. UNDP non-core activities

1. OPE	1 352.2
2. UNV	416.5
3. Other non-core activities	<u>154.5</u>
Total non-core	<u>1 923.2</u>
GRAND TOTAL	<u>4 982.7</u>

a/ Includes field offices in Africa, Somalia, Sudan and Djibouti and the Regional Bureau for Africa (Hqs.).

24. In addition to what is stated above the Administrator in DP/1985/57/Add.1 proposes to further increase the 1986-1987 proposed appropriation for UNDP core activities by \$5.6 million, to help finance the estimated costs in 1986-1987 of 40 posts (10 at Headquarters, 30 in the field) related to strengthening UNDP's operational capability in Africa. These posts are treated as extrabudgetary in DP/1985/57 and Corr.1 (see para. 39 below). With this adjustment, the proposed appropriations for 1986-1987 amount to \$348.9 million (gross) and \$300.0 million (net) representing an increase on a net basis of \$56.7 million or 23.3 per cent over the proposed revised 1984-1985 estimates of \$243.3 million net.

#### Staff

25. In tables A-1 and A-2 of DP/1985/57 and Corr.1 information on budgetary and extrabudgetary staffing levels is provided separately for 1986 and for 1987. This is a departure from past practice necessitated by the Administrator's proposal to strengthen UNDP operations in Africa in 1986, in advance of the proposed release of posts from the RIPF field offices and office closures, both of which would take effect only in 1987. This results in what the budget document terms a "bulge" in 1986, comprising a number of temporary posts in that year, which are offset by the releases of RIPF posts in 1987. The following table shows the number of posts approved for the UNDP overall establishment for 1984-1985 and that proposed for 1986, and for 1987:

UNDP STAFF CHANGES - BUDGETARY POSTS

	Approved 1984-1985		Proposed 1986		Proposed 1987	
	<u>Established</u>	<u>Temporary</u>	<u>Established</u>	<u>Temporary</u>	<u>Established</u>	<u>Temporary</u>
Resources of UNDP						
1. Core activities <u>a/</u>	3 816	28	3 853	130	3 763	65
2. OPE	67	19	92	-	92	-
3. UNV	48	-	51	-	51	-
4. Other <u>b/</u>	20	1	20	1	20	1
Total UNDP resources	3 951	48	4 016	131	3 926	66
Resources of UNCDF	28	-	28	-	28	-
Resources of UNRFNRE	14	-	14	-	14	-
Resources of UNSO	23	-	23	-	23	-
GRAND TOTAL	4 016	48	4 081	131	3 991	66

a/ Budgetary posts do not include the 40 posts related to strengthening the field offices in Africa, which were originally envisaged as being extrabudgetary, but which are now proposed for incorporation in the core budget in DP/1985/57/Add.1.

b/ IAPSU, UNSO-UNDP/UNEP J.V. (Institutional support), TCDC/INRES.

26. In view of the complex nature of the staffing proposals with regard to core activities, detailed reconciliations, by year, for both established and temporary core posts are provided in Annex II to this report. In summary, however, for core activities, the total (established plus temporary) net reduction of 16 posts between 1984-1985 (3816 + 28 = 3844) and 1987 (3763 + 65 = 3828) consists of:

- (a) Local posts (25) Ref. DP.1985/57, table following para. 64
- (b) DOI post - Geneva 1 Ref. DP/1985/57, table following para. 64
- (c) Headquarters posts 8 Ref. DP/1985/57, table following para. 76  
 (16)

27. In addition to the "regular budget" establishment, UNDP also has staff funded from extrabudgetary resources; these are shown in the following table:

UNDP STAFF CHANGES - EXTRABUDGETARY POSTS

Source of funds	Actual 1984	Estimated 1985	Estimated 1986	Estimated 1987
Support services provided by UNDP core activities to UNDP non-core, other organizations and trust funds	71	76	82	82
Administrative support of housing (financed by the reserve for accomodation loans to governments)	1	1	1	1
Programme support in the field of energy	1	2	2	2
Programme and administrative support related to field office activities	162	202	241	366
Strengthening field offices in Africa <u>a/</u>	-	40	40	40
Programme and administrative support to projects financed from UNSO trust funds	-	6	6	6
<b>Total</b>	<b>235</b>	<b>327</b>	<b>372</b>	<b>497</b>

a/ Includes 40 posts related to strengthening the field offices in Africa which are now proposed by the Administrator for incorporation into the core budget.

28. With regard to "Programme and administrative support related to field office activities" shown in the table above, it should be noted that while the increase of 40 posts in 1985 and 39 posts in 1986 are related to earnings from cost-sharing activities, the further increase of 125 posts in 1987 is entirely attributable to the transfer to extrabudgetary status of posts in offices where it is proposed that the RIPP concept be applied.

Observations of the Advisory Committee on the 1986-1987 budget estimates

29. The Committee notes that the refinements recommended by it in its report on the 1984-1985 budget estimates (DP/1983/45) have been adopted. These included a suggestion that future budgets contain information on temporary posts. This has been done in DP/1985/57 and Corr.1 by adjusting staffing tables to reflect temporary posts. For completeness, the Committee believes that the list of definitions given at the beginning of the document should include a definition of "temporary posts". According to information requested by the Committee: temporary posts are defined as posts requiring the approval of the UNDP Governing Council but which are deemed to cover either a function viewed as temporary to the life of the organization or for which the Administrator has not yet determined the permanent level of staffing required. In contradistinction, established posts, which must also be approved by the Council, represent those posts which the Administrator considers necessary to fulfil UNDP's primary, ongoing responsibilities.

30. As recommended by the Advisory Committee, tabular information on the projection and use of UNDP net resources is provided in paragraph 28 of DP/1985/57. While noting the cautionary comments of the Administrator in paragraph 29, the Committee believes that such information provides a useful overview of the general pattern of UNDP expenditure. In this regard, the Committee notes that the figure of 16 per cent for UNDP budget resources in relation to total net resources shown for both 1984-1985 and 1986-1987 in DP/1985/57 and Corr.1, compares with 13 per cent for 1982-1983 and 14 per cent for 1984-1985, shown in the Advisory Committee's report in document DP/1983/45 (para. 16).

31. The methodology used to prepare the estimates is discussed in paragraph 38 of DP/1985/57 and Corr.1. The Advisory Committee received detailed information as to the exact manner in which this methodology was applied. Although the Committee was satisfied with the information it received, it recommends that future budgets contain more precise though succinct information on methodology. The Committee also recommends that future budgets contain more precise information on estimates for the Division of Management Information Services, for which more than \$12 million is requested in 1986-1987. Specific information should be included on new systems to be developed and on existing systems to be enhanced.

32. The major objective of the 1986-1987 budget proposals is the strengthening of the activities related to Africa. As can be seen from the following table, the Administrator is relying principally on redeployment and the establishment of temporary posts to achieve this aim.

UNDP staff changes - UNDP core activities

	Approved 1984-1985		Proposed 1986		Proposed 1987		Change 1984/85-86		Change 1986-87		Net change 1984/85-87	
	<u>Est.</u>	<u>Temp.</u>	<u>Est.</u>	<u>Temp.</u>	<u>Est.</u>	<u>Temp.</u>	<u>Est.</u>	<u>Temp.</u>	<u>Est.</u>	<u>Temp.</u>	<u>Est.</u>	<u>Temp.</u>
<b>Resources of UNDP</b>												
Headquarters	518	28	554	-	554	-	36	(28)	-	-	36	(28)
<b>Field</b>												
Africa	1 190	-	1 254	114	1 297	59	64	114	43	(55)	107	59
Arab States	489	-	472	13	425	6	(17)	13	(47)	(7)	(64)	6
Asia and the Pacific	1 004	-	982	-	982	-	(22)	-	-	-	(22)	-
Europe	98	-	96	1	57	-	(2)	1	(39)	(1)	(41)	-
Latin America and the Caribbean	494	-	472	-	423	-	(22)	-	(49)	-	(71)	-
Field office non- specific	23	-	23	2	25	-	-	2	2	(2)	2	-
Subtotal	3 298	-	3 299	130	3 209	65	1	130	(90)	(65)	(89)	65
Total <u>a/</u>	3 816	28	3 853	130	3 763	65	37	102	(90)	(65)	(53)	37

a/ Budgetary posts have not been adjusted to include the 40 posts related to strengthening the field offices in Africa, which were originally envisaged as being extrabudgetary, but which are now proposed for incorporation in the core budget in DP/1985/57/Add.1.

33. A summary of the proposed redeployment of field office staffing is given in the table following paragraph 64 of DP/1985/57 and Corr.1. As shown in that table, it is proposed that eight Professional and 62 locally recruited field office posts be made available for redeployment to Africa in 1986. According to the Administrator, the availability of these posts for redeployment has been made possible through "a stringent review of staffing requirements, combined with the continued implementation of the principle that cost-sharing programmes should, beyond 25 per cent, bear their own administrative support costs" (para. 61). The Committee understands that every effort will be made to achieve the redeployment of local posts without terminating staff (by utilizing vacancies); the payment of termination indemnities will thus be avoided.

34. The table following paragraph 64 also shows that it is expected that 14 international and 143 local field posts will be available for redeployment in 1987 due to the closure of three field offices in Europe and the application of the RIPP concept, as proposed by the Administrator.

35. Thus, much of the redeployment to Africa would depend upon the release of resources from those countries where the RIPP concept would be applied. In this connection, the Committee notes the statement of the Administrator that the

"proposed redeployment for Africa depends upon the Council's approval of the Administrator's proposals for the fourth cycle; should this not materialize, the Administrator would have no alternative but to adjust his budget estimates, or forego an adequate response to the situation in Africa" (DP/1985/57 and Corr.1, para. 15).

36. The Advisory Committee points out that should the Council modify or not accept the Administrator's proposals with regard to RIPP, a major revision of the estimates for 1986-1987 would be necessary. In that event, one of the options the Council may wish to consider is approval of provisional estimates for 1986 with a request that a revised budget for 1986-1987 be prepared for submission to the Advisory Committee and to the Governing Council in spring 1986.

37. The Committee also points out that if offices have to be closed or reduced in size as the result of adoption by the Council of the Administrator's proposals for RIPP, the need to reduce the number of local posts could result in the payment of significant amounts for termination indemnities.

38. The Committee notes that as indicated in paragraphs 15 and 66 of DP/1985/57 and Corr.1, the release of RIPP posts would not take place until 1987, and that pending such release, the Administrator proposes to establish 12 international and 115 local temporary posts to be financed from the core budget during 1986.

39. Another aspect of the strengthening for Africa involves 40 posts (30 field, 10 Headquarters) for which the Administrator is seeking extrabudgetary financing. As indicated in paragraph 2 of DP/1985/57/Add.1, by the end of April 1985, "a total of \$2.8 million had been pledged in cash or kind for this purpose, leaving a shortfall of \$5.6 million that the Administrator believes should be met by increasing the appropriation for UNDP core activities". The Committee understands

that the pledges to date would be sufficient to finance the posts in question in the last six months of 1985, and possibly into 1986 as well, in view of the fact that they would not all be filled from the outset.

40. Representatives of the Administrator informed the Committee that in view of the shortfall it would be the intention to move these 40 posts from the extrabudgetary to the regular budget category. The Advisory Committee, however, notes the statement in paragraph 2 of DP/1985/57/Add.1 that "to the extent that current or future extrabudgetary pledges remain unutilized at the end of 1985, the Administrator would draw down on this resource first before charging the biennial budget". Under the circumstances, the Committee does not see the necessity of increasing the regular budget staffing table. The Committee believes that flexibility and the intent of extrabudgetary financing would best be preserved if the posts remained extrabudgetary and if the current shortfall of voluntary contributions was made up by a reimbursable subvention from the core budget.

41. The Administrator is also proposing a strengthening package for the Africa Regional Bureau at headquarters. As described in paragraph 71, the addition of four posts under the general strengthening measures will be met from redeployment. The other 10 posts are included in the 40 posts which are the subject of an appeal for voluntary contributions (see para. 39-40 above).

42. As indicated in paragraph 22 above, aside from the proposals related to Africa, a number of other proposals are put forward by the Administrator.

43. The Advisory Committee recommends acceptance of the proposals for the Central Evaluation Office which are described in paragraph 72 and table 2/19.

44. Proposals on UNDP's information activities include the addition of two Professional and two General Service posts plus the conversion of one General Service post to the Professional level. It is also proposed to strengthen the DOI section of the office at Geneva by one Professional and one General Service post. UNDP's information activities are discussed in detail in document DP/1985/8, pursuant to the request by the Council in decision 84/7.

45. Although the Advisory Committee does not deny the desirability of an improved public information capability in UNDP, it questions whether it is prudent at this time to commit additional resources for this purpose. In view of the magnitude of the response required from UNDP to address the situation in Africa, the Governing Council may wish to defer consideration of these proposals.

46. A request is made in paragraph 75 for the conversion to an established basis of 20 temporary posts created in connection with the Integrated Systems Improvement Project and two posts for telephone operators. The Committee recommends acceptance of this request.

47. Aside from staff costs, the most significant volume increase relates to general operating expenses. As explained in paragraph 82 (f), "approximately \$1 million of this increase pertains to the field office network and reflects the Administrator's programme to strengthen UNDP's operational capability in Africa, including a non-recurrent provision for expanding and/or improving office facilities to accommodate the influx of staff".



48. Another element in the increase under general operating expenses is the proposed lease of a further floor, equivalent to 24,500 square feet, in the FF Building on 44th Street, between First and Second Avenue. Twenty-five per cent of this space is expected to be occupied and paid for by the United Nations Women's Fund and the Office for Project Execution, both of which are self-financing. The remaining 75 per cent of the space will be paid for from the UNDP core budget and is intended to meet the additional space requirements of the Regional Bureau for Africa, the Central Evaluation Office of BPPE and the Division of Information, as well as to alleviate the general pressure on space experienced by several other UNDP Divisions. The actual utilization of the new floor is, however, still to be determined, since there may be some re-shuffling of space in DC-1. It is proposed to add this additional space to the existing lease contract, by a suitable addendum, under the same terms and conditions which apply to the present space. The basic rent in the FF Building - including all accrued escalation to 31 December 1984, is \$22.12 per square foot, representing an increase of \$3.12 over the \$19.00 per square foot rent paid initially, in 1982. The actual additional rent to be paid for the new space in 1986-1987 (of which 75 per cent will be charged to the UNDP core budget) is estimated at \$1,189,700 and includes provision for further escalation in 1985-1987.

49. According to paragraph 82 (f), the costs associated with making the necessary alterations to the building will be amortized over a five-year period. The Advisory Committee was informed that the total alteration costs amount to \$1.1 million and it is expected that this will be paid by January 1986. The pro-rata share to be included in the 1986-1987 budget amounts to \$440,000 (of which 75 per cent will be charged to the UNDP core budget).

50. As indicated in paragraph 82 (f), increased general operating expenses will be partially offset by a volume reduction of \$300,000 in the provision for rental and maintenance of EDP and word-processing equipment because of the decision to purchase rather than lease such equipment in the future.

51. With regard to UNDP non-core units, several increases are proposed for 1986-1987. The most significant of these concerns the Office for Projects Execution where an additional Professional and five General Service posts are requested. According to the Administrator, these increases are in keeping with Governing Council decisions 83/30 and 84/32 that the OPE staffing level be adjusted to accord with support cost earnings. The Administrator states that the proposed staffing level for OPE is in "accordance with projected income and, in the spirit of the Council decision, will be kept under constant review to ensure independent financial viability". (DP/1985/57 and Corr.1, para. 77). Under the circumstances, the Advisory Committee has no objection to this request.

52. In view of the increase in the number of United Nations volunteers, described in paragraph 78, the Advisory Committee concurs in the proposal to add one Professional and two General Service posts to the UNV establishment for 1986-1987.

53. With regard to the UNSO/UNEP Joint Venture, the Advisory Committee notes the intention of the Administrator, stated in paragraph 79, "to maintain the principle of 50 per cent cost-sharing for this programme pursuant to the Governing Council decisions 25/10 and 82/28".

54. In the paragraphs above, the Advisory Committee has submitted its observations and recommendations with regard to the Administrator's proposals for the 1986-1987 budget. In view of what it has stated in paragraphs 35-37 above, however, it is not in a position to recommend specific appropriation amounts.

Trust funds

55. The report on trust funds established by the Administrator in 1984 (DP/1985/59) was submitted to the Advisory Committee pursuant to UNDP Financial Regulation 5.1. The report provides descriptive information on each trust fund. The Advisory Committee notes the information given in Annex I on trust funds established by the Administrator in 1984 on behalf of UNDP, UNCDF, the United Nations Financing System for Science and Technology for Development and the United Nations Sudano-Sahelian Office.

ANNEX I

Upgrading and downgrading of UNDP Core D-1 and D-2 posts

UNDP - CORE

\*D-2 (+ 3 - 1 = 2)

- +1 Director, Division for Policy Co-ordination and Procedures, Bureau for Programme Policy and Evaluation
- +1 Director, Division for Administrative Management Services
- +1 Resident Representative post
- 1 Director, Resources Mobilization Unit
- +2

\*\*D-1 (+ 5 - 15 = -10)

- +1 Chief, Executive Office, Office of the Administrator
  - +3 Division Chief, Regional Bureau (3 posts)
  - +1 Director, Resources Mobilization Unit
  - 1 Director, Division for Administrative Management Services
  - 1 Deputy Director, Division of Information
  - 1 Sr. External Relations Officer, Division of External Relations
  - 4 Sr. Technical Officer, Technical Advisory Division, Bureau for Programme Policy and Evaluation (4 posts)
  - 1 Sr. Programme Officer, Division for Global and Interregional Projects
  - 1 Director, Division for Policy Co-ordination and Procedures, Bureau for Programme Policy and Evaluation
  - 1 Sr. Finance Officer, Directorate, Division of Finance
  - 1 Sr. Programme Finance Officer, Division of Finance
  - 4 Resident Representatives (4 posts)
- 10

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\* A new post at the D-2 level is proposed to be established for the Central Evaluation Office as of 1 January 1986.

\*\* Two D-1 RR posts are proposed for release as a result of proposed redeployment.

Upgrading and downgrading of UNDP non-core D-1 and D-2 posts

UNDP - NON-CORE

D-2 (-1)

-1 Programme Manager, OPE

D-1 (+1 - 2 = -1)

+1 Deputy Executive Co-ordinator, UNV

-1 Sr. Programme Officer, UNSO

-1 Chief, Division of Policy Planning and Evaluation, UNCDF

-1

ANNEX II

UNDP core activities: established posts - reconciliation

A. 1986 3 853  
1984-85 3 816  
Increase 37

Represented by:

Field:

DOI - Geneva 1 (1 P)

Headquarters:

RBA - General strength 4 (2 P, 2 GS)  
BPPE (CEO) 6 (3 P, 3 GS)  
PCO (LDC Function) 2 (1 P, 1 GS)  
DOI 4 (3 P, 1 GS)  
DAMS 2 (1 P, 1 GS)  
ECU (2) (1 P, 1 GS)  
RBLAC (1) (1 P)  
DMIS (1) (1 GS)

14

Conversion temporary to  
established posts 22 (13 P, 9 GS)  
37

B. 1987 3 763  
1986 3 853  
Decrease (90)

Represented by:

Conversion established local posts  
to temporary posts a/ (65)

Release of local posts (25)  
(90)

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a/ See DP/1985/57/Corr.1, paras. 15 and 66. These posts are to be available through release of RIPP established posts but they will be continued on a temporary rather than on established basis.

UNDP core activities: temporary posts - reconciliation

A.	1986	130
	1984-85	<u>28</u>
	Increase	102

## Field:

Africa - General strengthening	38	a/ (12 P and 26 local)
Co-ordination	24	(local)
Emergency	<u>65</u>	(local)
Subtotal	<u>127</u>	
Palestinian programme	2	(1 P, 1 local)
DOI Geneva	1	(local)
Subtotal	<u>3</u>	
Total field	<u>130</u>	

## Headquarters:

Conversion temporary posts to established posts	(22)	(13 P, 9 GS)
Release: IATF	(4)	(1 P, 3 GS)
DMIS	<u>(2)</u>	(2 P)
Total Headquarters	<u>(28)</u>	
Total	<u>102</u>	

B.	1987	65
	1986	<u>130</u>
	Decrease	<u>(65)</u>

The following 1986 temporary posts are to be abolished in 1987 as a result of established posts becoming available through RIPF and Office closures.

## Field:

Africa:	(38)	(12 P, and 26 local)
General strengthening	(24)	(local)
Palesinian Programme	(2)	(1 P, 1 local)
DOI Geneva	<u>(1)</u>	(1 local)
	<u>(65)</u>	

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a/ Of total 88 local posts, 62 provided by redeployment of established posts, leaving net addition of 26 local posts.