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ADOPTION OF THE REPORT OF THE BUDGETARY AND FINANCE
COMMITTEE TO THE GOVERNING COUNCIL

Draft report of the Budgetary and Finance Committee

Rapporteur: Mr. D. MONDAL (Bangladesh)

AMENDMENTS TO THE DRAFT REPORT OF THE BUDGETARY
AND FINANCE COMMITTEE

. During the Budgetary and Finance Committee's consideration of its draft report, contained in document DP/1985/BFC/L.2 and Corr.1 (Chinese only) and Corr.2, L.2/Add.1-3, L.2/Add.3/Annex, L.2/Add.4 and L.2/Add.4/Annex/Rev.1, L.2/Add.5-7, L.2/Add.7/Corr.1, L.2/Add.8-10, L.2/Add.10/Corr.1, L.2/Add.11 and L.2/Add.11/Annex, L.2/Add.12 and Corr.1 and L.2/Add.12/Annex, L.2/Add.13-16, L.2/Add.16/Annex, and L.2/Add.17-19, a number of amendments were proposed and adopted. These amendments are listed below in the order of the addenda to which they were made.

DP/1985/BFC/L.2

. In the CONTENTS, after Chapter IV. G.2. add 3. Currency exchange rates applicable to activities of the United Nations Development Programme

In paragraph 4, for the thirty-first read thirty-second

DP/1985/BFC/L.2/Add.2

. In paragraph 2, after had delete note

DP/1985/BFC/L.2/Add.3

4. In paragraph 4:

First sentence, for his read her for Chairman read Chairperson
Third sentence, for he read she

DP/1985/BFC/L.2/Add.4

5. In paragraph 4, after the last sentence, add The Administrator presented a comprehensive paper for informal discussions on UNDP's cash and currency management procedures in response to requests for additional information on this matter from members of the Committee.

6. In paragraph 5, after the last sentence, add One member expressed concern with respect to the level of resources held by UNDP.

7. Paragraph 10 should be replaced by the following:

10. Several members expressed their concern at the high level of outstanding balances of pledges and inquired whether payment schedules were being provided by many Governments. One member feared that a possible trend towards late payments and non-payment in the current year might be developing and appealed to Governments to make early and prompt payment of contributions. One member indicated that the reason for the delay experienced by his Government was a fiscal year different from that of UNDP and the fact that the contribution was denominated in United States dollars which resulted in budgetary difficulties because of the strength of the United States dollar. One member asked for an explanation for the high level of balances held by the field offices and agencies in their accounts and inquired what steps were being taken to keep those balances to the minimum. Several delegations supported the present conservative policy of UNDP as presented in the information concerning managing a global cash management system, while others indicated that they would favour UNDP taking a slightly more aggressive role in the management of its funds. The latter expressed interest in the possibility of UNDP's involvement in currency options as a form of insurance to protect UNDP from the currency losses reported by UNDP due to the volatility that has characterized the financial markets over the last few years.

11. Several members expressed their disappointment that there were no reductions in the balances of accumulating non-convertible currencies and inquired what further steps the Administrator had taken in response to Governing Council decision 84/31 on the subject. One member stated that UNDP should not accept any more contributions in non-convertible currencies, and in fact should return the balances to the countries which made the contributions. One member speaking on behalf of those countries contributing in non-convertible national currency indicated that the issue was not the form of the contribution but its utilization. He indicated that in light of the needs of developing countries, particularly those in Africa, that he would invite the Administrator and other United Nations organizations to make every effort to use these contributions fully and effectively.

8. Renumber the succeeding paragraphs accordingly.

DP/1985/BFC/L.2/Add.5

9. In paragraph 5, first sentence, for use of read appropriateness of using

DP/1985/BFC/L.2/Add.6

10. In paragraph 5, for several read some

DP/1985/BFC/L.2/Add.7

11. In paragraph 6, after the first sentence, insert Members also questioned why agencies referred to in the report had not been named.

12. In paragraph 7, the second sentence should read Some members stressed that the possibilities for broader international competitive bidding should be maintained even at the early planning stage of the projects.

13. Also in paragraph 7, the third sentence should read The same members suggested that IAPSU organize procurement missions and seminars on a more regular basis also in small industrialized countries and developing countries which had the capacity to provide the needed equipment and services and that reference to the services of the International Trade Centre be made more systematic.

DP/1985/BFC/L.2/Add.10

14. In paragraph 6, first sentence, for supported by another, indicated his delegation's read on behalf of a group of delegations, indicated

DP/1985/BFC/L.2/Add.11

15. Paragraph 6 should read

6. One member, speaking on behalf of a group of countries, stated that during discussions in the past years these countries had declared firmly their willingness to contribute actively to the Programme on the basis of the principles of voluntariness, universality and sovereignty. But according to these principles the currency in which payments of voluntary contributions were to be effected depended on the decision of the Government of the respective donor country. He confirmed the position of the group of countries for which he spoke that any other view on this matter had to be regarded as discriminatory. This group of countries, he continued, could agree with each of the Administrator's proposals which were suggested in annex I of the document, but not to any attempt to define currencies as "readily usable" as contained in proposal "B", nor to the texts referred to in annex II of the document as "K" and "L".

DP/1985/BFC/L.2/Add.11/Annex

16. In paragraph (b), before financial regulation 4.6 insert proposed
17. Also in paragraph (b), the second reference to annex III should read annex II

DP/1985/BFC/L.2/Add.14

18. In paragraph 10, second sentence, after preparation of projects; delete and
19. Also in paragraph 10, second sentence, insert; after government-executed projects
20. Also in paragraph 10, second sentence, for as well as the costs involved read and to overall costs involved.
