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P O L I C Y

PROGRAMME PLANNING

FOURTH PROGRAMMING CYCLE

Indicative planning figure for Namibia

Report of the Administrator

Summary

By its decision 85/16, the Governing Council established an indicative planning figure (IPF) for Namibia of \$6.395 million for 1987-1991, through exceptionally increasing by 50 per cent the fourth cycle IPF as determined by the criteria for calculating IPFs. It kept in abeyance a proposal to provide an additional amount of up to \$3 million, subject to a report by the Administrator being submitted to the thirty-third session justifying this amount. In the present report, the Administrator reviews the role of the specific mechanisms that the General Assembly has established to take care of Namibia's needs; discusses resource utilization in regard to development activities for Namibia; and shows that the IPF resources already available to Namibia are in excess of normal standards. Nevertheless, the Administrator is also of the view that since those Namibians currently benefiting from United Nations system assistance cannot raise revenues by the conventional means that other states use, e.g. taxation, an increase could be granted on an exceptional basis and for the fourth programme cycle only, on demonstration that specific, cost-effective, programme management measures have been implemented.

I. BACKGROUND

1. In its decision 85/16, the Governing Council provided for reconsideration of a proposal to further increase the fourth cycle IPF for Namibia. It will be recalled that the Council had at that session established an IPF for Namibia for 1987-1991 of \$6.395 million through exceptionally increasing by 50 per cent the fourth cycle IPF as determined by the criteria for calculating country IPFs. Paragraph 15 of Governing Council decision 85/16 stipulated further that "an additional amount of up to \$3 million shall be provided for Namibia following a report by the Administrator at the thirty-third session of the Governing Council to justify this amount". The Governing Council did not specify the criteria on the basis of which the report was to be prepared. It therefore left entirely to the Administrator the responsibility of determining the relevant factors and considerations that the Council might wish to take into account in deciding whether, and by what magnitude, the IPF for Namibia should be further increased within the limits of an additional \$3 million.
2. To facilitate the preparation of as objective a report as possible, the following points of reference have been used for this presentation:

(a) The unique position of Namibia as a dependent territory administered directly by the United Nations under the Trusteeship system, the special arrangements and mechanisms that have been established by the General Assembly for the purposes of the caretaking of Namibia on the one hand, and the specific functions and responsibilities of these special mechanisms on the other;

(b) The role and mandate of UNDP and the manner in which UNDP relates to the special mechanisms established to deal with the Namibia situation;

(c) The basis on which IPFs are established, the nature and efficiency of the IPF and other resources utilization in the specific case of Namibia.

II. NAMIBIA AS A UNITED NATIONS RESPONSIBILITY

3. By its resolution 2145 (XXI) of 27 October 1966, the General Assembly declared that South Africa's Mandate over South West Africa was terminated, that South Africa had no other right to administer the territory and that, henceforth, South West Africa came under the direct responsibility of the United Nations. To facilitate the discharge by the United Nations of its responsibility with respect to the territory, the Assembly adopted, on 19 May 1967, resolution 2248 (S-V), by which it set up an 11-member United Nations Council for South West Africa to administer the territory until independence, with the maximum possible participation of the people of the territory. The Assembly also decided that the administrative and executive functions of the Council should be carried out by a United Nations Commissioner for South West

Africa. Subsequently, on the basis of General Assembly resolution 2372 (XXII) of 12 June 1968, the territory's name was changed from South West Africa to Namibia.

4. The United Nations Fund for Namibia was established by General Assembly resolution 2679 (XXV) of 9 December 1970, for the purposes of assisting Namibians and of financing a comprehensive educational and training programme aimed at preparing them for the management of the administration and development of Namibia on independence. It became operational in 1972 under the overall administration of the United Nations Council for Namibia and is administered and managed by the Committee on the Fund for Namibia. In setting up the Fund in 1972, the General Assembly entrusted it with the mandate of financing a comprehensive programme of assistance to Namibians with emphasis on:

(a) Long-term measures comprising an ongoing review of Namibia's needs and the establishment of a contingency plan of co-ordinated international economic and technical assistance, including manpower training, to be implemented in Namibia following South Africa's withdrawal from the Territory;

(b) Short-term measures to ensure that assistance by the international community to those Namibians who were accessible to aid would be comprehensive and co-ordinated, and that the training would prepare those who were able to do so to play a contributory role in an independent Namibia.

5. General Assembly resolution 3295 (XXIX) also requested UNDP, in consultation with the United Nations Commissioner for Namibia, to establish an IPF for Namibia. The Governing Council responded to this wish by endorsing the recommendation made by the Administrator at the June 1975 session that an IPF of \$1 million be established for Namibia for the remainder of the first programme cycle, and that an IPF of \$3.5 million be established for 1977-1981. Subsequently, an IPF of \$4.26 million was established for 1982-1986. It is to be noted that in accepting these figures, UNDP did not deviate from the norms then utilized for the calculation of IPFs for newly independent countries (as reported in DP/128/Add.1 of 12 June 1975, paragraph 5) nor from the criteria used for calculating IPFs for 1982-1986.

III. UTILIZATION OF IPF RESOURCES WITH REGARD TO NAMIBIA

6. Effective utilization of the IPF for Namibia started in 1976 with the financing of technical assistance for the establishment of the United Nations Institute for Namibia (UNIN) in Lusaka, Zambia. Another allocation was set aside in 1978 to assist with the establishment of the Vocational Training Centre for Namibians at Cuacra, Angola. Although other, smaller projects of the Nationhood Programme for Namibia have also been financed from the IPF, the Institute for Namibia and the Vocational Training Centre for Namibians are the

two major activities for which almost all the IPF is used. Both are funded primarily by the Fund for Namibia and, from the start, UNDP has been responsible only for providing technical assistance through funding international experts.

7. For the purposes of this report, information has been sought from the Commissioner for Namibia to determine whether it was necessary to increase the 1987-1991 IPF over and above the \$6.395 million approved exceptionally by the Governing Council at the thirty-second session. From the data provided by the Commissioner, it would appear that additional resources are needed to even out the deficits incurred by the Fund for Namibia. Between 1981 and 1984 - the last four years for which complete financial data are available - expenditures of the Fund for Namibia have exceeded income over three consecutive years, 1981 to 1983, by a low of \$814,000 in 1981 and a high of \$3.2 million in 1982. Despite the fact that there was a positive balance of nearly \$2 million in 1984, when expenditures of \$7,521,771 were incurred against an income of \$9,466,555, there was a total deficit for the four-year period as a whole of \$3.14 million. An encouraging trend was noticed between 1983 and 1984, when there was an overall increase of nearly 23 per cent in contributions to the Fund's three accounts (General Account, Nationhood Programme Account, UNIN Account), from a total of \$7,703,221 in 1983 to \$9,466,555 in 1984, and a decrease in expenditure of slightly above 14 per cent, from \$8,786,432 in 1983 to \$7,521,771 in 1984. If this commendable momentum is maintained by the Fund to mobilize additional resources while at the same time containing expenditure, the Fund's deficit problem should be contained during the fourth programming cycle. There is, however, no certainty that contributions will continue to increase at the same rate.

8. On the subject of resource utilization, consideration has been concentrated on UNIN and the Vocational Training Centre for Namibians, the two major users of the IPF. UNIN is financed by the Council for Namibia through a separate account of the Fund for Namibia, the UNIN account. When UNIN was established in 1976, UNDP provided technical assistance through financing internationally recruited personnel needed for the Institute's various activities. While the primary purpose is to train and prepare young Namibians for positions as middle-level civil servants in an independent Namibia, UNIN also has the objective of ensuring that it integrates as many qualified Namibians into its staff as will be necessary to manage and administer it without expatriate intervention. To this end, UNIN is a national institution of Namibia financed by the Fund for Namibia and receiving technical support from UNDP in the same manner that another institution in another developing country would.

9. In the light of the budgetary shortfalls that have been experienced by the Fund for Namibia, a closer look has been given to the financing of UNIN to determine how cost-effectiveness can be increased and whether economies could

be made without adversely affecting the Institute's activities. The attention of the Governing Council is invited to the following relevant facts:

(a) While UNIN is a national institution for the promotion of middle-level human resources development for the future management and administration of independent Namibia, the staff employed by UNIN and funded through the Fund for Namibia are paid salaries comparable to those applicable in the United Nations system and far in excess of those paid to nationals of the host country doing jobs of more or less the same kind;

(b) With 444 students in 1984, UNIN spent \$4,997,587 on staff and other personnel costs, equivalent to \$11,256 in staff costs per student for the year.^{1/} The corresponding figures for the University of Zambia, also based in Lusaka, with an enrollment of 4,554 students, was \$7,485,217 (17,216,000 Kwacha at K 2.30 = \$1) total staff and related costs equivalent to \$1,644 in staff costs per student for the year;

(c) A UNDP evaluation conducted in March 1985 showed that out of 43 professional staff in the teaching, administration, information and documentation categories, only 4 were Namibians; a fifth Namibian instructor was recruited in early 1986. This suggests that the objective of staffing the Institute with Namibians is not being achieved. The question is whether the United Nations system has given sufficient attention to its objective of integrating as many qualified Namibians into UNIN's staff as will be necessary to manage and administer the Institute without expatriate intervention.

10. As regards the Vocational Training Centre for Namibians in southern Angola, UNDP has since 1978 had the responsibility of funding externally recruited expertise with the Nationhood Programme Account of the Fund for Namibia financing Namibian and locally recruited staff, operational and maintenance costs, etc. The distribution was more or less 50 per cent Fund for Namibia and 50 per cent UNDP until 1984, when the Commissioner requested that an administrative support project for the Centre be funded by the IPF for that year only. This request was accepted by UNDP on an exceptional basis. Further, due to the special staffing arrangements instituted at the Centre, staff costs have been well contained. In keeping with the UNDP mandate of financing technical assistance for the development of human resources capability, responsibility for that part of the Centre's recurrent budget, which is funded by the administrative support project, should revert to the Fund for Namibia in 1987.

IV. OVERVIEW OF THE FINANCING OF THE NAMIBIA PROGRAMME

11. From the foregoing it would seem relevant for the Administrator to highlight the following points:

(a) Although Namibia is the direct responsibility of the United Nations, the General Assembly has taken steps to establish separate legislative and supervisory, executive and administrative, as well as financing mechanisms specifically charged with the responsibilities that would normally be those of an administering authority under the Trusteeship system, had the administering authority been other than the United Nations itself. These mechanisms are, respectively, the United Nations Council for Namibia, the Office of the United Nations Commissioner for Namibia, and the United Nations Fund for Namibia;

(b) Although established on the basis of the entire population of Namibia as a whole, and its known socio-economic parameters, the IPF for Namibia is accessible only to that proportion of the Namibian population residing outside the Territory. This is currently estimated at 80,000 people, or 7 per cent of a total estimated population of 1.1 million. Furthermore, it is these same 80,000 Namibians outside of the Territory that have access to that portion of the IPF for national liberation movements (NLMs) that is spent on projects of assistance to the South West Africa People's Organization. At the actual rate of utilization, this will add another \$4.4 million to the total IPF resources available to Namibians over the next cycle;

(c) The request for an exceptional increase in the IPF for Namibia appears to be based solely on a presumed inadequacy of resources available under the Fund for Namibia relative to anticipated needs. Consultations were held with the United Nations Commissioner for Namibia. In a letter dated 26 November 1985 to the Associate Administrator, the Commissioner pointed out that while there are indications that there might be a modest increase in the total resource availability under the Fund for Namibia for the period 1986-1991, "it is also expected that the needs of the Namibian people for assistance will continue to surpass, by far, the resources available under the Fund, and substantial amounts will therefore continue to be needed from other sources, primarily the IPF for Namibia". Although the desire to fully meet the assistance needs of a particular country has never been, and cannot be, used as a basis for the allocation of an IPF, the Administrator is aware that to the extent that revenue-generating mechanisms, such as taxation, are not available to the governing bodies for Namibia, the need might exist for considering alternative means on an exceptional basis;

(d) Considering the fact that the IPF is currently utilized for financing training and related development activities benefiting approximately 80,000 Namibians outside the Territory, and that the possibility of their raising revenues through such conventional means as taxation does not exist

for them, the exception made by the Governing Council to increase the fourth cycle IPF by 50 per cent to the new level of \$6.395 million is justified. Together with a minimum of \$4.4 million expected from the IPF for NLMs, this brings to \$10.795 million the total IPF resources available to Namibians over the fourth cycle.

12. While the considerations elaborated in paragraph 11(a)-(c) above would not justify, per se, a further increase of the fourth cycle IPF for Namibia over and above that already approved by the Governing Council, the Administrator feels that based on legitimate, demonstrated need for technical assistance, and taking into account the point made in paragraph 11(d), favourable consideration could be given to increasing the fourth cycle IPF - again on a very exceptional basis - by a further amount within the limits of the \$3 million stipulated in decision 85/16. Disbursement of this amount would be contingent on the Administrator being satisfied that those responsible for the operation and supervision of the Namibian institutions supported by UNDP were actually putting into effect concrete measures aiming, on the one hand, at ensuring that the objective of promoting institutional self-reliance is achieved more expeditiously than has been the case to date and, on the other hand, at increasing the cost-effectiveness of these institutions. To the extent that the Institute for Namibia is concerned, such a plan could, for example, consist of the following:

(a) Raising as much as possible, subject to a minimum of 50 per cent of the total, the proportion of the professional, technical and teaching posts occupied by Namibian nationals at the United Nations Institute for Namibia, and lowering by the same proportion, the number of posts occupied by non-Namibians;

(b) Ensuring that in keeping with standard practice, Namibian staff in this, and in other UNDP-assisted projects, are viewed as national personnel, remunerated by the Fund for Namibia on the basis of rates prevailing in the country in which the institution or project is located, since this would result in economies in the utilization of the Fund's resources;

(c) Making arrangements to the effect that expatriate teachers employed by the Institute are not paid United Nations salaries, but are remunerated at levels comparable to those applicable to expatriate teachers in similar educational institutions in southern Africa;

(d) Ensuring that the contribution of UNDP is directed to financing externally-derived technical assistance expertise and related inputs.

V. RECOMMENDATION OF THE ADMINISTRATOR

13. In light of the above, the Administrator recommends that the Council may wish to take note that there may be additional needs to justify an increase, on an exceptional basis, in the approved fourth cycle IPF of \$6.395 million, by an additional amount within the limits of the \$3 million stipulated in decision 85/16; the exact amount of such an increase will be subject to the contingencies expressed in paragraph 12 above.

Notes

1/ Report of the Senate of the United Nations Institute for Namibia to the Council for Namibia, July 1983-June 1984, annex 3, page 26.