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P O L I C Y

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Final report on the review and reassessment
and
work plan for 1987-1990 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. It is the final report on the implementation of the plans outlined 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 allocations to country activities. It also includes the work plan for the years 1987-1990 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 decision 83/17 III, paragraph 3, adopted at its thirtieth session.

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INTRODUCTION

1. In view of the resource situation confronting UNFPA, the Governing Council at its twenty-eighth session requested the Executive Director to undertake a review and reassessment of the total UNFPA programme for the period 1982-1985. The Executive Director submitted such a document (DP/1982/28) to the Council at its twenty-ninth session. The Council, in decision 82/20 I, paragraph 2, requested the Executive Director to report to it at future sessions on the implementation of the plans outlined in the review and reassessment, in connection with the annual submission of the work plan and request for approval authority. The Executive Director submitted such reports in documents DP/1983/20, DP/1984/31 and DP/1985/35.

2. The present document contains, in part I, the final report on the review and reassessment for the full period 1982-1985. Part II describes the new country programmes submitted to the Council at its thirty-third session. They affect the allocations for 1986, as well as the work plan for 1987-1990. Part III describes revisions in the programme ceiling for 1986 which are required owing to uncertainties about UNFPA's income in 1986. Part IV contains the work plan for the years 1987-1990 and the request for approval authority. 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/1986/36), being submitted to the Council at its thirty-third session.

I. FINAL REPORT ON THE REVIEW AND REASSESSMENT

A. The resource situation 1982-1985

3. 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 base. 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, resulting in an expected total income for 1982-1985 of \$629 million.

4. The actual income in the years 1982-1985 amounted to only \$547.5 million. The difference of \$81.5 million equals 13.0 per cent of the total originally estimated income for 1982-1985. The actual annual increase for 1983-1985, based upon an income of \$130.9 million in 1982, amounted to only about 3 per cent, owing to, inter alia, the steep increase in the value of the United States dollar in the period concerned. The Executive Director, consequently, reduced the income assumptions in the work plans submitted to the Council at its thirty-first and thirty-second sessions, thus affecting also the plans of the review and reassessment.

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B. Overall resource utilization

5. 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. Table A contains a comparison between the actual new programmable resources for 1982-1985 and the estimates made in 1982. It shows that UNFPA has been able to reduce the operational costs in proportion to the reduction in income i.e., by 14.3 per cent. In view of the smaller income, the additions to the operational reserve have also been reduced. Thus, while the income in 1982-1985 was \$81.5 million lower than estimated in 1982, the new programmable resources were only \$64.4 million lower.

6. In paragraph 27 and table E of document DP/1982/28, 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 over-programming. The Council endorsed this intention. At the time, this would have meant annual allocations of, on average, \$116.5 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.

7. It is now evident that this cautious approach was fully justified, as shown by the fact that the actual new programmable resources of \$447 million for the period 1982-1985 (table A, line 5) were \$19 million lower than even the conservative programming intention of \$466 million. 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 1985

8. Table B compares the ceiling for 1985 project allocations set in 1985 (document DP/1985/35, table C) with the level allowable given actual income in that year. The year-end 1985 project allocations amounted to \$141.3 million. However, the actual amount of available resources was only \$131.6 million, i.e., \$114.1 million in new programmable resources in 1985 and \$17.5 million in carry-forwards from the previous year. Thus, the 1985 allocations show an over-programming of \$9.7 million above actual available resources (of \$131.6 million) which is 8.5 per cent of new programmable resources (of \$114.1 million), while the maximum permitted over-programming is 5 per cent of new programmable resources, which would amount to \$5.7 million.

9. This excess amount of over-programming of \$4 million is attributable to the fact that one major donor country paid \$10 million less than this donor country had pledged. When this became apparent, the Executive Director immediately contacted the members of the Council and assured them that he would safeguard the programme without endangering the soundness of UNFPA's financial operations. This has been

Table A. Actual new programmable resources for 1982-1985 compared to those estimated for 1982-1985 in 1982^{a/}
(Millions of US dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	
	1982	1983	1984	1985	Total 1982-1985	Reduction for period 1982-1985 compared to 1982 estimate (\$)	(%)
(1) Income	130.9 (136) ^{b/}	134.8 (149)	138.7 (164)	143.1 (180)	547.5 (629)	81.5	13.0
(2) Operational costs	22.0 (24)	21.4 (25)	22.0 (27)	25.0 (29.5)	90.4 (105.5)	15.1	14.3
(3) Addition to operational reserve	1.0 (1)	2.0 (2)	3.0 (4)	4.0 (5)	10.0 (12)	2.0	16.7
(4) Subtotal (2) plus (3)	23.0 (25)	23.4 (27)	25.0 (31)	29.0 (34.5)	100.4 (117.5)	17.1	14.6
(5) Available as new programmable resources (1) minus (4)	107.9 (111)	111.4 (122)	113.7 (133)	114.1 (145.5)	447.1 (511.5)	64.4	12.6

^{a/} Presented in table E of DP/1982/28.

^{b/} Figures in parentheses are those estimated in 1982.

Table B. Ceiling for 1985 project allocations as set in 1985
and as allowable given actual 1985 income
(Millions of US dollars)

	As set in 1985	As allowable
(1) New programmable resources 1985	115.5	114.1 ^{a/}
(2) 5 per cent overprogramming	5.8	5.7
(3) Subtotal (1) plus (2)	121.3	119.8
(4) Carry-forwards from 1984	16.3	17.5
(5) Total intended project allocations	137.6	137.3

^{a/} Table A, line (5).

Table C. Expenditures for country and intercountry activities 1982-1985
compared to those intended for 1982-1985 in 1982^{a/}
(Millions of US dollars)

	1982	1983	1984	1985	Total 1982-1985
(1) Country activities	68.3 (84.0) ^{b/}	69.1 (86.0)	83.5 (87.4)	89.5 ^{c/} (87.4)	310.4 (344.8)
(2) Intercountry activities	33.6 (32.5)	32.0 (30.5)	31.7 (29.1)	34.4 ^{c/} (29.1)	131.7 (121.2)
(3) Total	101.9 (116.5) ^{d/}	101.1 (116.5)	115.2 (116.5)	123.9 (116.5)	442.1 (466.0)
(4) (2) as a per- centage of (3)	33.0% (27.9%)	31.7% (26.2%)	27.5% (25.0%)	27.8% (25%)	29.8% (26.0%)

^{a/} Presented in table G.2 of DP/1982/28.

^{b/} Figures in parentheses are those estimated in 1982.

^{c/} Estimate assuming an implementation rate of 86 per cent for country activities and of 92 per cent for intercountry activities.

^{d/} In the review and reassessment, the totals per year were assumed to be 25 per cent of the total for the full four-year period (1982-1985).

achieved. Project allocations in 1985 (\$141.3 million) increased by \$7.6 million over those of 1984 (\$133.7 million); project expenditures in 1985 (provisional: \$123.9 million) increased by \$8.7 million over those of 1984 (\$115.2 million); \$4 million was added to the operational reserve as intended and despite the higher than permitted level of over-programming, there remain carry-forwards of \$7.7 million from 1985 into 1986.

D. Distribution of resources between country and
intercountry activities 1982-1985

10. In 1985, intercountry activities amounted to \$37.4 million (or 26.5 per cent) of all project allocations (\$141.3 million). While final expenditure data were not available as this document was being written, for the purposes of the following comparison it is assumed that the implementation rate for country activities in 1985 amounts to 86 per cent and for intercountry activities 92 per cent, since these are the average rates for such activities in recent years.

11. It was originally expected that, for the period 1982-1985, intercountry activities would be allocated at the level of \$121.2 million (or 26 per cent) of the intended programming level of \$466 million. Table C shows that intercountry activities in this period amounted to \$131.7 million, on average around \$2.5 million annually more than intended. Thus, UNFPA has not fully achieved the goals set in the review and reassessment and mandated by the Council. One of the reasons for this is the fact that those personnel costs at headquarters, which were not part of the regular administrative budget, were financed largely from intercountry projects, a practice which is being discontinued starting in 1986, as mandated by the Council at its thirty-second session. However, even with these costs financed largely from intercountry projects, the proportion of intercountry activities has consistently been reduced, if measured against actual expenditures. As table C shows, expenditures for intercountry activities decreased in absolute and in relative terms from 1982 to 1984 and remained stable in relative terms from 1984 to 1985.

12. Table D shows the breakdown of expenditures for intercountry activities by work-plan category. The table shows that expenditures for family planning and for communication and education increased in absolute and in relative terms at the expense of most other categories. Thus, UNFPA has followed the instructions of the Council in decision 81/7 I, paragraph 3, and has given increased emphasis to these two areas not only in country, but also in intercountry activities. The multisector activities include the expenditures for administrative-related costs mentioned above.

13. Table E shows the breakdown of expenditures for intercountry activities by functional category. The table shows little variation from year to year. It is worth noting that technical assistance and backstopping constitute more than 50 per cent of intercountry expenditures in all three years. This shows the direct relevance of intercountry activities in support of activities at the country level.

Table D. Expenditures for intercountry activities 1983, 1984 and 1985
by work-plan category
(Millions of US dollars)

	1983		1984		1985 ^{a/}	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Family planning	6.7	20.9	7.4	23.3	9.3	27.0
Communication and education	6.9	21.6	7.3	23.0	8.8	25.6
Basic data collection	3.0	9.3	2.4	7.6	2.2	6.4
Population dynamics	6.9	21.6	6.1	19.2	5.7	16.6
Formulation and evaluation of population policies	2.6	8.1	3.5	11.1	3.8	11.0
Implementation of policies	0.5	1.6	0.1	0.3	0.2	0.6
Multisector activities	4.8	15.0	3.9	12.3	3.7	10.8
Special programmes	0.6	1.9	1.0	3.2	0.7	2.0
Total	32.0	100.0	31.7	100.0	34.4	100.0

^{a/} Estimate assuming an implementation rate of 92 per cent.

Table E. Expenditures for intercountry activities 1983, 1984 and 1985
by functional category
(Millions of US dollars)

	1983		1984		1985 ^{a/}	
	(\$)	(%)	(\$)	(%)	(\$)	(%)
Technical assistance and backstopping	17.2	54	16.2	51	17.8	52
Training	5.8	18	5.6	18	6.2	18
Research	6.0	19	6.6	21	7.3	21
Information exchange	3.0	9	3.3	10	3.1	9
Total	32.0	100	31.7	100	34.4	100

^{a/} Estimate assuming an implementation rate of 92 per cent.

Table F. UNFPA support to country programmes and projects under
the review and reassessment, 1982-1985
(Millions of US dollars)

Region	(1) Amount intended in accordance with DP/1982/28 ^{a/}	(2a) UNFPA support ^{b/}	(2b) Multi- bilateral support ^{b/}	(3) Total 1982-1985	(4) Column (3) as a per- centage of column (1)
Africa (sub-Saharan)	63.1	41.2	0.4	41.6	66
Asia and the Pacific	145.7	143.8	2.4	146.2	100
Latin America and the Caribbean	36.4	32.4	5.4	37.8	104
Middle East and Mediterranean	39.4	30.3	1.4	31.7	80
Total	284.6	247.7	9.6	257.3	90

^{a/} Figures do not match those in table A of document DP/1986/36, since that document lists only those programmes and projects which still received allocations under the review and reassessment in 1985.

^{b/} 1982-1984: expenditures; 1985: allocations.

E. Allocations to country programmes and projects under the review and reassessment 1982-1985

14. In document DP/1982/28, 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, 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. The final status at the end of the review and reassessment period (December 1985) is shown in table F.

15. The table shows a breakdown of UNFPA support to country programmes and projects falling under the review and reassessment by region. The table shows that allocations to these country programmes in Africa and to some extent in the Middle East and Mediterranean region were considerably lower than intended under the review and reassessment. With regard to Africa, the major reasons were the emergency crisis which characterized the region during the last few years, and the civil strife in several countries, which have affected the countries' ability to implement population activities. With regard to the Middle East and Mediterranean region, the major reasons were internal reorganizations in the programme of Egypt, the existence of an interim Government in Sudan, a reordering of programme priorities in the Syrian Arab Republic and the concentration of programme efforts on the census project in Yemen. On the other hand, programmes in Asia and the Pacific and in Latin America and the Caribbean absorbed their resources in full.

16. However, table F 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, resources allocated to these countries amounted to \$257.3 million (or 90 per cent of the intended \$284.6 million). Of this amount \$9.6 million were from multi-bilateral resources and \$247.7 million from regular UNFPA resources (or 87 per cent of the intended \$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 amounted to only \$447 million or 87 per cent of the expected amount of \$511 million. The shortfall in resources between 1982 and 1985 was, thus, borne by the country programmes mentioned in the review and reassessment in proportion to all other programmes.

17. On a country-by-country basis the status at the end of 1985 is as follows:

(a) 27 countries, of which 13 are priority countries, received UNFPA support in the full and to some extent above the amount intended in the review and reassessment. (In the review and reassessment full allocation was foreseen for only 19 countries, 6 of them priority countries.) Allocations above those foreseen in the review and reassessment amounted to \$4.3 million. The countries which received the intended support in full are:

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<u>Africa</u>	<u>Asia and the Pacific</u>	<u>Latin America and the Caribbean</u>	<u>Middle East and Mediterranean</u>
Burundi (P)	Bangladesh (P)	Colombia	Democratic
Comoros (P)	China (P)	Cuba	Yemen (P)
Liberia (P)	Indonesia (P)	Dominican	Tunisia
Malawi (P)	Malaysia	Republic	
Mauritania (P)	Mongolia	Guatemala	
United	Nepal (P)	Honduras	
Republic of	Philippines	Mexico	
Tanzania (P)	Sri Lanka (P)	Nicaragua	
	Thailand	Panama	
	Viet Nam (P)	Peru	

(P) = priority country for UNFPA assistance.

(b) Five countries, of which three are priority countries, have not received the full support as foreseen in the review and reassessment, but their balances have been subsumed under new programmes approved by the Council prior to 1986 or submitted to the Council in 1986. They are Egypt, India, Jordan, Mozambique, and the Syrian Arab Republic.

(c) The remaining 28 countries, of which 20 are priority countries, have not received their balances in full. In sum these balances amount to \$31.6 million. Thus, with 27 countries receiving a total of \$4.3 million more than originally intended in the review and reassessment and 28 countries showing a balance totalling \$31.6 million below that intended, the difference between the intended amount for country programmes (\$284.6 million) and the resources, including multi-bilateral resources, made available (\$257.3 million) amounts to \$27.3 million. Even though the review and reassessment period formally came to an end in December 1985, the Executive Director will continue to make small allocations to countries with balances; he expects that new programmes for many of these countries will be submitted to the Council at future sessions. The countries which have not yet received the intended support in full are:

<u>Africa</u>	<u>Asia and the Pacific</u>	<u>Latin America and the Caribbean</u>	<u>Middle East and Mediterranean</u>
Angola (P)	Madagascar (P)	Afghanistan (P)	Bolivia
Benin (P)	Mali (P)	Bhutan (P)	Ecuador
Burkina Faso (P)	Niger (P)	Pakistan (P)	El Salvador
Congo	Nigeria		Haiti (P)
Ethiopia (P)	Rwanda (P)		Paraguay
Gambia (P)	Senegal (P)		
Guinea (P)	Swaziland		
Kenya (P)	Zambia (P)		
			Morocco
			Somalia (P)
			Sudan (P)
			Yemen (P)

II. NEW SUBMISSIONS OF COUNTRY PROGRAMMES AND PROJECTS
TO THE COUNCIL AT ITS THIRTY-THIRD SESSION

18. The Executive Director is submitting to the Council at its thirty-third session seven comprehensive country programmes (the Democratic People's Republic of Korea, Egypt, Jordan, Mozambique, Pakistan, the Syrian Arab Republic and Zaire). They amount to \$57 million of which \$46.8 million or 82.1 per cent is for priority countries.

19. In view of the uncertainty of the resource level of UNFPA, these country programmes, as well as others previously approved by the Council, may have to be reduced in accordance with the two income levels which are described in detail elsewhere in this document. Detailed plans for any reductions of previously approved programmes require consultation with Governments on a programme-by-programme and sometimes project-by-project basis. However, for the submissions to the thirty-third session, the possible need for such reduction has already been foreseen, and all programmes, except the one for the Democratic People's Republic of Korea, foresee two different levels. In sum, the present submissions would be reduced from \$57 million to \$41 million. At this lower level of commitment, 78.8 per cent are foreseen for priority countries. The breakdown by substantive area for both the higher and lower levels is contained in table G.

20. At both the higher and the lower level, the distribution to priority countries and by substantive area is in accordance with the instructions of the Council. The Executive Director wishes to point this out since new decisions made by UNFPA (and approved by the Council) are a better indication of programme trends than are the allocations at year's end or actual year-end expenditures, since the last two are largely influenced by the speed of implementation of programmes and projects over which UNFPA has only limited control.

21. The Executive Director is submitting these programmes for approval at the higher levels in order to avoid the need for a re-submission, if funding at these higher levels should indeed be possible. However, only the lower levels are to be seen as commitments by UNFPA. For those projects which make up the difference between the higher and the lower levels UNFPA will seek resources under multi-bilateral funding.

III. REVISIONS IN THE PROGRAMME CEILING FOR 1986

22. At the time of the writing of this document, the Executive Director is assuming for 1986 an income of \$125 million and an additional \$6 million in multi-bilateral resources which, however, is not part of the work plan. The expected \$125 million in regular resources is a reduction of \$18.1 million when compared with the actual income in 1985 (\$143.1 million) and a reduction of \$29.3 million from the estimated 1986 income as contained in the work plan submitted to the Council at its thirty-second session (\$154.3 million). Consequently, the operational costs are reduced to \$31.8 million. This would lead to new programmable resources in 1986 of only \$93.2 million, as compared with \$114.1 million in 1985 or with \$116.3 million for 1986 as estimated in the work plan 1986-1989 and approved by the Council in

Table G. New submissions to the Council at its thirty-third session
by substantive area at higher and lower levels
(Millions of US dollars)

	<u>Higher level</u>		<u>Lower level</u>	
	<u>(\$)</u>	<u>(%)</u>	<u>(\$)</u>	<u>(%)</u>
Family planning	32.2	56.5	23.8	58.1
Communication and Education	6.9	12.1	3.5	8.5
Basic data collection	5.5	9.6	3.4	8.3
Population dynamics	3.8	6.7	3.5	8.5
Formulation and evaluation of population policies	3.8	6.7	2.9	7.1
Special programmes (mainly for women)	4.8	8.4	3.9	9.5
Total	57.0	100.0	41.0	100.0

Table H. Programme ceiling for 1986
(Millions of US dollars)

	1985 actual	1986 previously intended ^{a/}	1986 revision one ^{b/}	1986 revision two ^{c/}
(1) Income	143.1	154.3	125.0	125.0
(2) Operational costs	25.0	34.0	31.8	31.8
(3) Addition to operational reserve	4.0	4.0	0.0 ^{d/}	(5.0) ^{e/}
(4) Subtotal (2) plus (3)	29.0	38.0	31.8	26.8
(5) Available as new pro- grammable resources (1) minus (4)	114.1	116.3	93.2	98.2
(6) Over-programming	9.7 ^{f/}	5.8 ^{g/}	4.7 ^{g/}	9.8 ^{h/}
(7) Total programme ceiling ^{i/} (5) plus (6)	123.8	122.1	97.9	108.0

^{a/} As contained in work plan 1986-1989.

^{b/} Revision for 1986 without borrowing from the reserve and without increase in over-programming.

^{c/} Revision for 1986 with borrowing from the reserve and with increase in over-programming.

^{d/} No addition required, since the reserve in December 1985 stood at \$30 million.

^{e/} Borrowing from the reserve.

^{f/} 8.5 per cent over-programming.

^{g/} 5 per cent over-programming.

^{h/} 10 per cent over-programming.

^{i/} Total programme ceiling excluding carry-forwards of resources from previous years; from 1984 to 1985 the carry-forwards amounted to \$17.5 million; from 1985 to 1986 they amount to \$7.7 million.

decision 85/19 IV, paragraph 1. In order to soften the effects of this considerable reduction, the Executive Director intends to withdraw \$5 million from the operational reserve and to increase the level of over-programming to 10 per cent. A request to this effect is contained in the recommendation section of this document.

23. Table H shows in comparison the actual figures for 1985, those for 1986 intended in the work plan 1986-1989, those which would result from the reduction in income if no special measures were taken (revision one) and those resulting from the specific measures to be taken (revision two). The measures taken by the Executive Director (revision two) lead to a reduction in the programme ceiling for 1986 compared with that for 1986 of last year's work plan of only \$14 million instead of \$24 million, as would be the case in revision one.

IV. WORK PLAN FOR 1987-1990 AND REQUEST FOR APPROVAL AUTHORITY

A. The work plan 1987-1990

24. The UNFPA work plan is a projected programme of assistance based upon income projections, prior commitments and foreseeable needs over the next four years. Its present format is based on article VII of UNFPA's Financial Regulations, adopted by the Council at its thirtieth session in decision 83/17 III, paragraph 3.

25. 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, geographical 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, such as submission of new country programmes, as described above. They form part of the work plan. Other, small-scale projects, approved under the authority of the Executive Director and also part of the work plan, are developed more on short-term notice and therefore cannot be reflected in detail for four years ahead of time. Thus, the actual performance of UNFPA is best measured in examining trends. Therefore, in some cases the tables that follow show trends rather than data on a year-by-year basis.

26. The work plan is based upon the income assumptions for the period 1987-1990 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.

27. In the work plan for 1986-1989 the Executive Director assumed the income of UNFPA to amount in 1985 to \$152 million. The income assumptions, operational costs, and thus resulting new programmable resources for the years 1987-1989 which are part of the work plans 1986-1989 and 1987-1990 were calculated in 1986 as presented in table I.

28. The assumption of income of \$152 million in 1985 anticipated a contribution from the United States Government of \$46 million, which this donor pledged in November 1984. In fact, the United States contribution for 1985 was reduced by \$10 million, and the actual income for 1985 was only \$143.1 million. It is now uncertain whether the United States Government, which has been the leading donor to UNFPA since the Fund's creation, will contribute to UNFPA in future years. This uncertainty affects UNFPA's planning significantly. Because of this uncertainty, the Executive Director has decided to present two alternative scenarios based on different assumptions: one scenario assuming a contribution from the United States at a level which is now under review by the United States Congress; the other with no contribution from the United States Government. Most tables in the work plan are presented with both scenarios.

29. Even if the United States Government decides to continue its significant amount of support to UNFPA in 1987-1990, it is likely that its contributions will be less than in the past. Therefore, even the higher of the two scenarios mentioned in the previous paragraph is lower than the income assumptions for 1987-1989 made last year in the work plan for the years 1986-1989. Taking all these factors into account, the income assumptions and the resulting new programmable resources under the two scenarios for the years 1987-1990 are calculated as presented in tables J.1 and J.2.

30. These two scenarios are based upon the following detailed assumptions. The income in the lower scenario assumes no contribution from a previous major donor of UNFPA. As explained elsewhere in this document, the income for 1986 under this assumption will amount to \$125 million, and a constant annual increase of 8 per cent is assumed for the years 1987-1990. A constant annual increase of 8 per cent not only corresponds to the decisions of the Governing Council on the fourth cycle of the United Nations Development Programme, but also to the renewed commitment on the part of major donors in population matters, following the International Conference on Population in 1984. The expected increase from 1985 to 1986 gives evidence in this regard. The income in 1985 amounted to \$143.1 million including \$36 million from one major donor, or \$107.1 million without counting the contribution from that donor. In 1986, without a contribution from this donor, the income is expected to reach \$125 million, i.e., an increase of approximately 17 per cent which only a part is due to the movement of the United States dollar.

31. Under the higher scenario, the income for 1987-1990 will be identical with that of the lower scenario, but for the assumption of a contribution from the aforementioned major donor at a rate of \$30 million per annum, thus not assuming an increase in the contribution from that donor. The average increase in UNFPA's income between 1987 and 1990 would then amount to around 6.5 per cent. Under both scenarios the Executive Director expects in addition \$6 million in multi-bilateral resources for 1987 and a continuation of such support at a significant level beyond 1987.

32. The operational costs mentioned in tables J.1 and J.2 consist of the following: UNFPA's own administrative costs (at headquarters and in the field) and the overheads paid to executing agencies of the United Nations system and to

Table K.1. Distribution of new programmable resources between country and intercountry activities
1987-1990: Higher scenario
(Millions of US dollars)

	1987		1988		1989		1990		Total 1987-1990	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Country activities	94.2	75.0	100.7	75.0	107.2	75.0	116.4	75.1	418.5	75.0
Intercountry activities	31.5	25.0	33.5	25.0	35.7	25.0	38.8	24.9	139.5	25.0
Total	125.7	100.0	134.2	100.0	142.9	100.0	155.2	100.0	558.0	100.0

Table K.2. Distribution of new programmable resources between country and intercountry activities
1987-1990: Lower scenario
(Millions of US dollars)

	1987		1988		1989		1990		Total 1987-1990	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Country activities	75.3	72.4	79.2	72.3	84.1	72.3	90.5	72.6	329.1	72.4
Intercountry activities	28.7	27.6	30.4	27.7	32.2	27.7	34.2	27.4	125.5	27.6
Total	104.0	100.0	109.6	100.0	116.3	100.0	124.7	100.0	454.6	100.0

Table L. Intercountry activities by region, 1987-1990, at higher and lower scenarios
(Millions of US dollars)

	1984 Expenditures		1985 Allocations ^{a/}		1986 Allocations ^{b/}		Average Annual Allocations 1987-1990 ^{c/}	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Africa (sub-Saharan)	4.7	14.8	5.8	15.5	5.0	17.4	6.2	18.7
Asia and the Pacific	4.7	14.8	6.2	16.6	4.7	16.4	5.6	16.9
Latin America and the Caribbean	2.9	9.2	3.5	9.4	2.6	9.1	3.1	9.4
Middle East and Mediterranean	1.5	4.7	2.0	5.3	2.3	8.0	2.5	7.6
Europe	0.5	1.6	0.5	1.3	0.4	1.4	0.3	0.9
Interregional and global	17.4	54.9	19.4	51.9	13.7	47.7	15.4	46.5
Total	31.7	100.0	37.4	100.0	28.7	100.0	33.1	100.0

^{a/} Actual, including over-programming and carry-forwards.

^{b/} Intended, including over-programming, excluding carry-forwards.

^{c/} Intended, excluding over-programming, excluding carry-forwards.

43. Table M shows the overall direction of funding of country activities. While in absolute amounts the allocations increased from 1984 to 1985 in all regions, in relative amounts increases were made in Africa and in the Middle East and Mediterranean, mainly since in the earlier years of the review and reassessment period the flow of resources to these two regions was smaller than intended. From 1985 to 1986 this intention is unchanged, while the absolute amounts to all regions are reduced. During the period 1987-1990 at the lower scenario, UNFPA intends to pursue a further shift in emphasis in absolute and relative terms towards Africa, mainly at the expense of Latin America. This reflects the larger number of priority countries in Africa (30) compared with those in Latin America and the Caribbean (2). At the higher scenario the shift in emphasis in relative terms will be the same as at the lower scenario, while in absolute terms there will be increases for all regions. Since policy shifts on financial matters are normally achieved by a distribution of the increment different from that of the bases, the proportionate increases in absolute amounts are the most significant. Thus, comparing 1986 with the average of 1987-1990 at the higher scenario, the increases would amount as follows: Africa: from \$19.5 million to \$29 million = plus \$9.5 million or 49 per cent; Asia and the Pacific: from \$37.5 million to \$50 million = plus \$12.5 million or 33 per cent; Latin America and the Caribbean: from \$11.6 million to \$13.4 million = plus \$1.8 million or 15.5 per cent; Middle East and Mediterranean: from \$9 million to \$12 million = plus \$3 million or 33 per cent.

44. Of the \$420 million intended for country activities between 1987 and 1990 at the higher scenario, \$187 million or 45 per cent have already been programmed in some detail. At the lower scenario the figures are: total country activities: \$330 million; already programmed: \$134 million or 41 per cent. The figures of \$187 million or \$134 million respectively are the intended allocations between 1987 and 1990 which are based upon country programmes approved by the Council in 1983, 1984 and 1985 or submitted to the Council in 1986. Details on these programmes, referring to countries, are given in the paragraphs below.

45. Of the \$187 million (at the higher scenario) programmed for 1987-1990 under Council approvals (1983-1985) or expected Council approvals (1986), \$162 million or 86.6 per cent are intended for priority countries. Under the lower scenario \$134 million is programmed under Council approvals, of which \$115 million or 85.8 per cent are intended for priority countries. These figures do 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 85 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.

46. Tables N.1 and N.2 show the distribution of the programmed amount of \$187 million and \$134 million, respectively, by region, as well as the percentage of intended country activities in each region with detailed programmes. Strictly speaking, the amount already programmed at the lower scenario (table N.2, column 2) is not \$134 million as stated, since detailed programmes amounting to \$187 million (Table N.1, column 2) do exist. However, as stated elsewhere in this document,

Table M. Country activities by region, 1987-1990:
Comparison of higher and lower scenarios
(Millions of US dollars)

	1984 Expenditures		1985 Allocations ^{a/}		1986 Allocations ^{b/}		Lower scenario average annual allocations 1987-1990 ^{c/}		Higher scenario average annual allocations 1987-1990 ^{c/}	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Africa (sub-Saharan)	16.0	19.2	22.3	21.4	19.5	24.9	22.6	27.4	29.0	27.6
Asia and the Pacific	46.9	56.1	54.6	52.5	37.5	47.9	39.0	47.3	50.0	47.6
Latin America and the Caribbean	12.5	15.0	15.6	15.0	11.6	14.8	10.6	12.8	13.4	12.8
Middle East and Mediterranean	7.3	8.7	10.1	9.7	9.0	11.5	9.7	11.8	12.0	11.4
Europe	0.8	1.0	1.4	1.4	0.7	0.9	0.6	0.7	0.6	0.6
Total	83.5	100.0	104.0	100.0	78.3	100.0	82.5	100.0	105.0	100.0

^{a/} Actual, including over-programming and carry-forwards.

^{b/} Intended, including over-programming, excluding carry-forwards.

^{c/} Intended, excluding over-programming, excluding carry-forwards.

Table N.1. Intended country activities for 1987-1990 and amounts already programmed with percentage shares: Higher scenario
(Millions of US dollars)

	(1)	(2)		(3)
	Total country activities 1987-1990 ^{a/}	Amount already programmed		Amount already programmed of regional total (dollars of column 2 as percentage of dollars of column 1)
	(\$)	(\$)	(%)	(%)
Africa (sub-Saharan)	116.0	21.7	11.6	18.7
Asia and the Pacific	200.0	132.6	71.0	66.3
Latin America and the Caribbean	53.6	15.8	8.4	29.5
Middle East and Mediterranean	48.0	16.7	9.0	34.8
Europe	2.4	-	-	-
Total	420.0	186.8	100.0	44.5

^{a/} Intended, excluding over-programming, excluding carry-forwards.

Table N.2. Intended country activities for 1987-1990 and amounts already programmed with percentage shares: Lower scenario
(Millions of US dollars)

	(1)	(2)		(3)
	Total country activities 1987-1990 ^{a/}	Amount already programmed		Amount already programmed of regional total (dollars of column 2 as percentage of dollars of column 1)
	\$	(\$)	(%)	(%)
Africa (sub-Saharan)	90.4	15.1	11.2	16.7
Asia and the Pacific	156.0	96.4	71.7	61.8
Latin America and the Caribbean	42.4	11.4	8.5	26.9
Middle East and Mediterranean	38.8	11.5	8.6	29.6
Europe	2.4	-	-	-
Total	330.0	134.4	100.0	40.7

^{a/} Intended, excluding over-programming, excluding carry-forwards.

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under the lower scenario the full amount already programmed for the higher scenario cannot be made available. If this were done, countries for which no new programmes have been developed would by themselves have to bear the consequences of the lower income at the lower scenario. This would obviously be unfair, and it would mainly affect countries in Africa, since by 1 January 1986 only 13 large-scale programmes in Africa had been developed. This is also evidenced by a comparison of the totals programmed at the higher scenario (table N.1, column 2) with the total available at the lower scenario (table N.2, column 1). For African countries only \$21.7 million (or 24 per cent) of the total of \$90.4 million have been programmed, while the figures for other regions read as follows: Asia and the Pacific: \$132.6 million (or 85 per cent) of \$156 million; Latin America and the Caribbean: \$15.8 million (or 37 per cent) of \$42.4 million; Middle East and Mediterranean: \$16.7 million (or 43 per cent) of \$38.8 million.

47. Table O shows the amounts already programmed at the higher and at the lower scenario by substantive area. They are fully in accordance with the applicable decisions of the Council.

B. Request for approval authority

48. Tables P.1 and P.2 set out the approval authority which is required to implement the work plan 1987-1990 at the higher and at the lower scenarios, respectively. As in past years, full approval authority has been set at the level of anticipated income (tables P.1 and P.2, line 1).

49. As stated earlier in this document, the level of income for the years 1987-1990 is highly uncertain. However, the Executive Director believes that approval authority should be granted at the higher level (table P.1), on the understanding that he will implement the work plan in accordance with the lower scenario, until the resources of the higher scenario are actually available. Nevertheless, he is also submitting in table P.2 the approval authority required should the Council approve the work plan for 1987-1990 only at the lower scenario.

50. In both cases, forward approval, as established by the Governing Council in decision 82/20 I, paragraph 7, comes to 100 per cent of the 1987 level, 75 per cent of the 1987 level for 1988, 50 per cent of the 1987 level for 1989 and 25 per cent of the 1987 level for 1990. The total requested for the period 1987-1990 amounts to \$412.4 million (table P.1, line 2). At the lower scenario, the total would amount to only \$337.4 million (table P.2, line 2).

51. Both tables show the authority granted earlier by the Council in decision 85/19 in the amounts of \$115.7 million for 1987, \$77.1 million for 1988 and \$38.6 million for 1989, or a total of \$231.4 million for the period 1987-1989 (tables P.1 and P.2, line 3).

52. The total net additional approval authority requested is \$181 million (table P.1, line 4), or 24.9 per cent of the full amount of \$728.3 million (table P.1, line 1). In the lower scenario, the total net additional approval authority requested amounts to \$106 million or 17.4 per cent of the full amount of \$608.3 million.

**Table O. Country activities 1987-1990 already programmed
 by substantive area at higher and lower scenarios
 (Millions of US dollars)**

	Higher scenario		Lower scenario	
	(\$)	(%)	(\$)	(%)
Family planning	126.0	67.5	91.2	67.9
Communication and education	27.2	14.6	18.3	13.6
Basic data collection	6.7	3.6	4.4	3.3
Population dynamics	13.4	7.1	10.3	7.7
Formulation and evaluation of population policies	5.5	2.9	4.1	3.0
Special programmes (mainly for women)	8.0	4.3	6.1	4.5
Total	168.8	100.0	134.4	100.0

**Table P.1. Request for approval authority
 (Higher scenario)
 (Millions of US dollars)**

	1987	1988	1989	1990	1987-1990
(1) Full authority	165.0	175.8	187.5	200.0	728.3
(2) Authority requested	165.0	123.7	82.5	41.2	412.4
(3) Previously granted	115.7	77.1	38.6	-	231.4
(4) Net additional approval authority requested	49.3	46.6	43.9	41.2	181.0

**Table P.2. Alternative table for the calculation of
 approval authority at the lower scenario
 (Millions of US dollars)**

	1987	1988	1989	1990	1987-1990
(1) Full authority	135.0	145.8	157.5	170.0	608.3
(2) Authority requested	135.0	101.2	67.5	33.7	337.4
(3) Previously granted	115.7	77.1	38.6	-	231.4
(4) Net additional approval authority requested	19.3	24.1	28.9	33.7	106.0

V. RECOMMENDATION

53. The Executive Director recommends that the Governing Council:

(a) Approve the final report on the review and reassessment as contained in this document;

(b) Authorize the Executive Director to continue to make allocations to those country programmes of the review and reassessment which have not yet received the reduced amounts in accordance with the plans contained in document DP/1982/28, as mentioned in paragraph 17 (c) of this document, until the time when new country programmes for these countries are submitted to the Council;

(c) Approve the revised programme ceiling for 1986 of \$108 million as contained in this document, including an increase in the over-programming to 10 per cent above new programmable resources of 1986;

(d) Approve the borrowing of \$5 million in 1986 and \$3 million in 1987 from the operational reserve for purposes of the programme, and authorize the Executive Director to delay the implementation of Council decision 81/7 III, paragraph 5, until the middle of the 1990s, if the income between 1986 and 1990 will only reach the assumptions of the lower scenario of the work plan 1987-1990, on the understanding that the level of the operational reserve should at no time fall below 16 per cent of estimated contributions;

(e) Decide to raise the level of permitted over-programming at year-end to up to 10 per cent of new programmable resources of each current year;

(f) Approve the work plan for 1987-1990 at the higher scenario, on the understanding that the Executive Director will implement the work plan in accordance with the lower scenario, until the resources of the higher scenario are actually available;

(g) Authorize the net additional approval authority in accordance with the work plan at the higher scenario in the amounts of:

(i) \$49.3 million for 1987, to bring the total for 1987 to 100 per cent of the 1987 level or \$165 million;

(ii) \$46.6 million for 1988, to bring the total for 1988 to 75 per cent of the 1987 level or \$123.7 million;

(iii) \$43.9 million for 1989, to bring the total for 1989 to 50 per cent of the 1987 level or \$82.5 million; and

(iv) 25 per cent of the 1987 level or \$41.2 million for 1990.

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