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P O L I C Y

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Report of the Executive Director on draft guidelines
for determining project-related and
administrative-related personnel expenditures

Summary

At its thirty-second session, in June 1985, the Governing Council requested the Executive Director to present to the Council for approval at its thirty-third session draft guidelines for what should be regarded as project-related personnel expenditures (and consequently budgeted as project costs) and what should be regarded as administrative-related personnel expenditures (and consequently budgeted as administrative costs). In this report the Executive Director distinguishes between administrative-related, programme-related and project-related expenditures and costs; reports on a variety of definitions of "project" and "project personnel;" and presents to the Council for approval, as requested, suggestions as to possible guidelines for use in determining what should be regarded as project-related personnel expenditures (and consequently budgeted as project costs) and what should be regarded as administrative-related or programme-related personnel expenditures (and consequently budgeted as administrative or programme support costs).

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INTRODUCTION

1. At its thirty-second session, the Governing Council, in decision 85/20 1, paragraph 5, requested "the Executive Director to present to the Governing Council for approval at its thirty-third session (1986) draft guidelines for what should be regarded as project-related personnel expenditures - consequently budgeted as project costs - and what should be regarded as administration-related personnel expenditures - consequently budgeted as administrative costs".

2. In order to formulate satisfactory guidelines as requested by the Governing Council, it is necessary to establish as clearly as possible the distinctive characteristics of those types of personnel costs or expenditures which may properly be regarded as administrative in nature. Once this is done, it should be possible to derive some conclusions as to other types of personnel costs or expenditures, such as those which may properly be attributed to projects.

3. In this report, the Executive Director presents for the Council's consideration a number of criteria for defining and identifying different types of expenditure, including administrative and project expenditures, and also, for reasons which will become apparent later in this report, programme and programme support expenditures.

I. CHARACTERISTICS OF DIFFERENT TYPES OF PERSONNEL

A. Personnel related to purely administrative support

4. The Financial Regulations and Rules of the United Nations do not attempt to define specifically what is meant by expenditures of an administrative nature. The same is true of the Financial Regulations and Rules of the United Nations Development Programme (UNDP), and of UNFPA. In the case of the United Nations itself, the General Assembly determines, in the light of the budget proposals submitted to it at the beginning of each biennium, what administrative and programme expenditures it will authorize as a charge against the assessed budget of the Organization; but no clear-cut guidelines have been laid down which would enable a determination to be made as to what is considered to be an administrative or programme expenditure, chargeable to the assessed budget, and what is considered an operational, project-related expenditure, chargeable to extrabudgetary funds.

5. In the early years of the existence of the United Nations, its Secretariat, as well as the secretariats of the various agencies and organs making up the United Nations system, was largely limited in its functions to the carrying out of commonly accepted administrative support services to facilitate the functioning of the intergovernmental, legislative or advisory bodies responsible for directing the work of the Organization. These commonly accepted services included essential financial and personnel management functions of a routine, recurring nature, the organization of conference services (meetings services, preparation and distribution of documents, interpretation and translation services, etc.), management of property, equipment and supplies, transportation, communication, secretarial services and a host of other "housekeeping" activities directly related to the successful functioning of the Organization on a continuing, year-round basis.

6. While no precise definition of the term "administrative" expenditures or

posts was considered necessary in the early years of the United Nations -- nor has any been laid down to this day -- all expenditures and personnel or posts of the types referred to in the preceding paragraph could properly be described as purely administrative in nature. All of them represented only those elements of service which were considered to be absolutely necessary in order for the deliberative bodies to function. Later, attempts to arrive at precise definitions of "administrative" or "operational" in order to determine what should be regarded as proper charges against the assessed budget or extrabudgetary resources were made in the case of the Office of the United Nations High Commissioner for Refugees (UNHCR), (in 1954) and in the case of the United Nations Environment Programme (UNEP), (in 1981). Similar efforts to define administrative overheads or programme support costs engaged the attention of members of the United Nations common system throughout the 1970s and have continued to do so to the present time. While pragmatic, workable arrangements to deal with particular problems have resulted in most cases from these efforts, no clearly enunciated guidelines of universal applicability have emerged to establish definitively a basis for determining what should be classified as purely administrative expenditures, programme or programme support expenditures and project or operational costs.

7. Under the United Nations Staff Regulations and Rules, which govern both UNDP and UNFPA, personnel are employed under different sets of conditions, known as the 100, 200 or 300 series of Staff Rules, depending on the nature of their employment. UNFPA personnel engaged in administrative and programme or programme support duties at headquarters have traditionally been offered appointment under the 100 series of Staff Rules, entitling them to eventual consideration for permanent appointment. The number of 100 series posts available to UNFPA at any one time is strictly limited to the number approved by the Governing Council following receipt of a report from the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the proposals advanced by the Executive Director. Appointments may be temporary, fixed-term, probationary or permanent. The 100 series of appointments represents what may be considered the core of the career international secretariat.

B. Personnel related to programme and programme support

8. While most expenditures in the early years of the history of the United Nations could properly be classified as purely administrative in nature, along the lines set forth in paragraph 5 above, it was not long before intergovernmental bodies began to impose demands of a more substantive or programmatic nature on the Secretariat. Requests for studies, reports, statistical and analytical documents, as well as publications of all kinds, multiplied. This called for a kind of specialized knowledge and expertise significantly different from that which was required for the more elementary servicing of these bodies' needs. Research, information and allied programmes developed in a wide variety of fields to support the work of the General Assembly, the Security, Trusteeship and Economic and Social Councils and the numerous commissions and other subordinate bodies which came into being in the late 1940s and early 1950s. Recruitment needs of the Organization expanded beyond the purely administrative categories of personnel to include economists for the Department of Economic Affairs and the Economic and Employment Commission; social scientists for the Department of Social Affairs and the Social

Commission; demographers for the Population Division; human rights experts for the Human Rights Division, etc. For posts of this kind, substantially different types of staff had to be recruited from those required for the previously described administrative jobs. A new category of personnel thus began to emerge - "programme" or "programme support" personnel - concerned more with substantive than with purely administrative matters. The other distinguishing characteristic of these staff members concerned with programme matters was that they served essentially as "headquarters" staff and had the responsibility of meeting the demands for programme support emanating from the intergovernmental deliberative bodies. In these respects, they differed essentially from field-oriented personnel serving in projects in the field or in related operational activities.

9. Expenditures relating to the second category of staff described above as "programme" or "programme support" personnel, together with the related costs of the activities in which they were engaged under the direction of the intergovernmental bodies, serving directly the needs of these headquarters bodies, were assimilated into the first mentioned category of purely administrative expenditures, since both related essentially to headquarters activities serving the needs of the intergovernmental deliberative bodies. As a consequence of such assimilation, both administrative and programme (or programme support) activities carried out at headquarters came to be accepted as proper charges against the "assessed" or "regular" budget of the United Nations and other bodies, members of the common system.

10. Agencies generally recruited the personnel employed in programme or programme-support activities under the 100 series of Staff Rules on the same basis as purely administrative personnel, sometimes as temporary or fixed-term staff members, sometimes as probationary appointees leading to permanent or career appointments. This is the policy which applies generally at the present time, with some exceptions, throughout the common system.

C. Personnel related to project activities

11. With the establishment of the Expanded Programme of Technical Assistance (EPTA) by the General Assembly in 1949, the Secretariat of the United Nations embarked upon a third type of activity - the operational ones, as distinct from the two types of support previously described, both of which were established to meet the needs of the legislative bodies themselves. The basic difference between these operational activities or undertakings and the support services supplied directly to meet the needs of the intergovernmental bodies themselves was that operational activities, while undertaken within the policy framework laid down by the intergovernmental bodies, were directed largely towards meeting the needs of quite different "beneficiaries" - no longer the intergovernmental bodies themselves at headquarters, but rather the Governments and people of underdeveloped and developing countries standing in need of a special kind of aid which became known as "technical assistance". While EPTA itself was financed on a modest basis through the assessed budget of the United Nations, technical assistance programmes in general quickly expanded beyond the point where they could be contained within the regular budget. Nearly all technical assistance programmes, including those employing specialized personnel serving as technical assistance advisers or experts, are now financed from voluntary extrabudgetary resources.

12. For this new kind of activity, reaching out from headquarters to meet the needs of developing countries seeking advice and guidance in a wide variety of fields, a considerably different kind of personnel was required. Specialized personnel recognized as authorities in their particular fields of competence had to be recruited and dispatched as "consultants" or members of field "missions" to assist in meeting the stated needs of developing countries or groups of countries. These needs were typically of a specific nature, requiring expert advice or guidance over a limited period of time. In order to distinguish between this new kind of field-oriented activity and the standard programme activities typically undertaken at headquarters, it became necessary to include in the then existing Staff Rules special provisions to cover the recruitment of consultants and members of field missions (SGB/81 of 25 June 1948) and, later, of personnel engaged as technical assistance experts (SGB/81/Rev.1/Corr.1 of 17 August 1950). The specific individual undertakings for which these technical assistance experts were recruited were designated as "projects" (SGB/81/Rev.8 of 18 August 1953) even though no precise definition of that term was attempted at the time.

13. These new provisions for dealing with technical assistance experts, which were initially incorporated as a special chapter (chapter 17) in the then existing Staff Rules, were eventually consolidated and issued as a separate series, known as the 200 series of Staff Rules, on 1 January 1954 (SGB/94/Add.3). They were not applicable to General Service staff who continued to be recruited, even though employed on the same technical assistance undertakings, under the 100 series. The new Rules declared that they should "apply to all project personnel who are internationally recruited for service with technical assistance projects", and the term "project personnel" was defined as meaning "individuals who are recruited specifically to serve with projects in the various technical assistance programmes".

14. The new 200 series of Staff Rules did not limit the recruitment of "project personnel" to the field, nor did they limit the length of time for which project personnel could be appointed. They provided, in fact, for "temporary" appointments of a short-term, intermediate-term or long-term duration, the latter being for periods of five years or more. A limited number of "programme appointments" could be offered under the 200 series to persons for whom, in the Secretary-General's judgement, there was likely to be a continuing need within the technical assistance programme. Project personnel were recruited and stationed at headquarters as interregional, regional and technical advisers, and, as an exception to the general rule, could actually be appointed under the 100 series of Staff Rules, qualifying for permanent appointment. However, while these were important and noteworthy exceptions to the general policy, the great majority of project personnel were recruited and employed for advisory or operational projects in the field, for what were expected to be periods of limited duration and for the specific purpose of providing technical assistance for which a country or group of countries had expressed a need.

15. Field assignments for individual personnel working alone or as members of field missions were usually for relatively short or intermittent periods, typically two years or less, and the services provided were initially, in most cases, of an advisory nature - technical assistance rather than operational in the full sense of the word. The qualifications of these experts and the duties which they performed,

did not, in the majority of the cases, fit into the traditional concept of "international civil servants", members of the "regular" Secretariat. The specialized undertakings in which they were engaged did not fit naturally into the routine patterns of ongoing administrative or programme support work performed at headquarters by the administrative or programme support personnel. While the lines of demarcation between project and other types of personnel continued to be marked by uncertainty, a number of definitions of what was meant by the expression "project" began to emerge, and these can now be used as guides to clearer understanding.

II. DEFINITIONS OF "PROJECT" IN CURRENT USE

16. For some years the United Nations Development Programme has had in its Financial Regulations and Rules a definition of "project" as follows:

"project" shall mean a separately identified development undertaking of one or more Governments and assisted by UNDP (UNDP Financial Regulation 2.2.P(vi))

The Financial Regulations of UNFPA contained, originally, the following proposed definition very similar to that of UNDP:

"project" shall mean a separately identified undertaking relating to population matters carried out by an executing agency on behalf of one or more recipient Governments and assisted by UNFPA.

Since, however, UNFPA finances many projects, both at headquarters and in the field, for which there is no executing agency, either because they are directly executed by the recipient Governments themselves or because UNFPA itself or a non-governmental agency acts as the executing agency, the Governing Council decided in 1983 to amend the original suggested definition to read as follows:

"project" shall mean a separately identified undertaking relating to population matters assisted by UNFPA (UNFPA Financial Regulations 2.2.P(v)).

17. This definition, which is currently in effect, provides the necessary flexibility to enable UNFPA to deal with the many and varied situations which arise in implementing the organization's broad mandate which includes, inter alia, promoting global awareness of the importance of population in the development process, a responsibility which requires creative and innovative procedures involving not only financial assistance but especially close substantive collaboration with recipient Governments as well as with a wide variety of non-governmental organizations and other educational and scientific institutions. Close collaboration with recipient Governments is of particular importance in the design and execution of joint Government-UNFPA executed projects which have as one of their primary objectives the promotion and development of national self-reliance.

18. Further clarification of what is meant by a "project" is to be found in UNFPA Financial Regulation 2.2.P(vi) and Financial Rule 108.4 which require that a project document must be prepared for each project and that the project document contain "the agreed arrangements for the implementation of the project which

includes, inter alia, a statement of the immediate and long range objectives of the project, a project work plan, a budget for UNFPA assistance to the project, and pertinent background and supporting data". Each project requires the prior approval of either the Governing Council or the Executive Director as stipulated in the UNFPA Financial Regulations and Rules, but once this has been given, prior Governing Council approval is not required for the establishment of project posts under the 200 series, provided that funds for carrying out the project and financing the posts are available.

19. The Joint Inspection Unit (JIU), within recent months, in its report entitled "Some reflexions on reform in the United Nations system", (JIU/REP/85/9), has also provided confirmation of some elements by which it is possible to identify project activities as distinct from other types of activity. A distinction is made between activities carried on at headquarters, described as "programmes" or "subprogrammes" in planning or programming documents, and activities of an operational nature in the field, described as "projects" (para. 14). The report then goes on to provide additional details, describing "programme element" as "a project directed to a precise objective in terms of output over a prescribed period of time, the achievement of which can be verified, or, if it is a continuing activity, with a measured (or measurable) output" (p. 71, note 5, level 4).

20. This is a helpful definition, not only for what it says, but also for what it does not say. It is, in fact, similar to the definition of "project" contained in the UNFPA instructions for the preparation of a project document (UNFPA/19/Rev.3 dated 6 January 1986), which prescribes the conditions to be observed in the preparation of UNFPA project documents. It accepts explicitly the idea that, while most projects are time-limited, there may be some which represent a "continuous" activity. It accepts implicitly, by its definition of "project" and "programme element", the proposition that, since programme elements are commonly identified in planning or programming documents as separately identifiable components of programmes or subprogrammes without regard to whether they are undertaken in the field or at headquarters, "projects" may be carried out from headquarters as well as in the field, provided the activity or undertaking falls within the accepted concept of what constitutes a project in other respects.

21. The Secretary-General has also, in his bulletin ST/SGB/117 of 19 November 1982, provided for the guidance of the United Nations Secretariat definitions to cover a number of terms, including regular staff, temporary staff, consultants, and technical co-operation personnel. Consultants are defined as "persons engaged under a special service agreement, normally for less than 6 months within any 12 month period, to provide outside expertise, i.e. special skills or knowledge not normally possessed by regular staff, and for which there is no continuing need within the Secretariat". Technical co-operation personnel "provide advisory services to Governments either as project personnel with an appointment under the 200 series of Staff Rules, or by their engagement under a special service agreement...". Regular staff "are appointed normally for a year or more to carry out the substantive programmes and perform the support and service functions of the Secretariat". Temporary staff "are engaged from time to time on a short-term basis to assist in dealing with peak work-loads and unexpected demands, to cover temporary absences and vacancies and to provide conference or other services".

22. The two last-mentioned definitions appear, in somewhat different form, in a response given by UNDP to a request of ACABQ (see DP/1985/56, I para.29). UNDP defines temporary posts 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". By contrast, UNDP reports, in the same document, that 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".

23. It is clear from the foregoing that the definitions of some of the key expressions with which this report is concerned are not identical throughout the common system, or even within the United Nations Secretariat and its subsidiary bodies. In practice, UNFPA has endeavoured to follow essentially the UNDP definition of established (or regular budget) posts. On the other hand, in recruiting extra budgetary, supernumerary or additional personnel to meet requirements of a less than permanent nature, UNFPA has, in the past, preferred to make use of posts funded as projects under the 200 series of Staff Rules, rather than making appointments of a temporary nature under the 100 series. Such personnel have been recruited invariably for specified temporary periods only to meet work-load requirements; the Fund has, in all cases, been careful to avoid making any commitment to continuing, longer-term or permanent employment.

III. SOME SUGGESTED GUIDELINES

24. The analysis in the foregoing paragraphs of some distinguishing characteristics of different types of expenditure - administrative, programme or programme-related, and project or operational - should, it is hoped, provide a useful foundation on which to draw up a set of tentative guidelines in response to the Governing Council's request contained in decision 85/20 I, paragraph 5. In presenting these suggestions, the Executive Director wishes to draw the Council's attention to the problems inherent in any attempt to develop guidelines by one agency such as UNFPA for the identification of different types of expenditures for which no clear or precise definitions have yet been devised for use throughout the common system. Expressions such as "administrative expenditure", "project personnel", and "field" or "operational personnel" and others are utilized on a commonly understood but not too precisely defined basis throughout the United Nations common system. Different shades of meaning are undoubtedly given to many of these standard expressions by different organizations throughout the system. It should, therefore, be emphasized that any suggested definitions or guidelines put forward here are intended for consideration and possible application to UNFPA only. The development of system-wide definitions, interpretations or guidelines cannot be undertaken by any single agency; such a task can only be undertaken by a recognized organ of the common system such as the Administrative Committee on Co-ordination and its subordinate bodies.

25. Subject to the foregoing caveat, the Executive Director considers that it should now be possible to draw some reasonably clear conclusions as to the distinguishing characteristics of the different types of expenditure which have

been the subject of detailed analysis in the earlier part of this report. These distinguishing characteristics can in themselves provide the desired guidelines for determining, in the words of the Governing Council's decision 85/20 I, paragraph 5, "what should be regarded as project-related personnel expenditures - consequently budgeted as project costs - and what should be regarded as administration-related personnel expenditures - consequently budgeted as administrative costs".

A. Administration-related personnel expenditures and costs

26. Administration-related personnel expenditures consist, in the first instance, of expenditures related to headquarters staff who are engaged in carrying out the normal administrative support duties of the kind described in paragraph 5. In addition, they should include, on the basis of the same criteria, expenditures related to administrative support personnel in the field who are recruited locally by UNFPA to carry out similar functions in support of UNFPA activities in the offices of resident representatives. Unlike the situation at headquarters, the administrative support staff in the field consists almost exclusively of General Service personnel, employed as finance or accounts clerks, secretaries, typists, drivers, messengers, guards, etc., in support of the work of the Deputy Representatives and Senior Advisors on Population (DRSAPs) and other Professional programme staff in the field. These locally-recruited staff in the field are employed, like their headquarters counterparts, under the 100 series of Staff Rules but continue to be categorized as project personnel and budgeted as project costs. This may have been understandable when the professional personnel employed by UNFPA in field offices were also recruited and employed as project personnel. Since the Governing Council, however, has now decided, in decision 85/20 I, paragraph 6, that the DRSAP and other programme officers who are in charge of UNFPA field offices should henceforth be recruited under the 100 series of Staff Rules and included in the "regular" administrative and programme support budget on the same basis as their Professional counterparts at headquarters, the Executive Director considers that the same principle should apply in the case of locally recruited staff who are employed in field offices to carry out administrative support functions similar to those carried out by administrative support staff at headquarters. This is, perhaps, the clearest example of the need for consistency in determining "what should be regarded as project-related personnel expenditures - consequently budgeted as project costs - and what should be regarded as administration-related expenditures - consequently budgeted as administrative costs". Since the expenditures related to locally-recruited personnel in the field offices are clearly of an administrative support nature rather than project-related, they should, in principle, to be consistent, be budgeted as administrative rather than as project costs and should be included accordingly in the regular administrative and support services budget.

27. The guidelines for determining what should be regarded as administration-related personnel expenditures and consequently budgeted as administrative costs should therefore be based on meeting the following test:

Are the personnel involved engaged exclusively or principally in carrying out, a continuing year-round basis within the headquarters establishment or in the UNFPA offices in the field, commonly accepted administrative support services of a "housekeeping" nature, comparable to those of other United Nations organizations,

and required as a minimum in order to facilitate the day-to-day functioning of the organization? Such administrative support services include routine financial and personnel management services; secretarial, clerical and related office services; preparation and distribution of documents required for meetings of governing bodies; meetings arrangements; conference services, including arrangements for interpretation and translation; procurement and management of property, equipment and supplies; and transportation, security, messenger and communication services, etc., as required.

Personnel performing functions of the nature here described or closely related functions on a continuing year-round basis clearly belong to the administrative core of the organization. Normally they should be considered as administration-related personnel and, except for certain requirements of a special non-continuous nature which will be discussed later, should be recruited and employed under the 100 series of Staff Rules and budgeted as administrative costs.

B. Programme-related personnel expenditures and costs

28. The criteria which have been suggested in the preceding paragraphs for defining administration-related personnel expenditures and costs apply also in large measure to programme-related personnel expenditures and costs. The essential difference between administrative and programme personnel and expenditures for purposes of this report lies in the fact that programme-related personnel deal with matters of a substantive nature identifiable with the population field, unlike administration-related personnel whose work is, in essence, not very different in content from similar administrative work performed in other organizations dealing with entirely different substantive problems.

29. Programme-related personnel, in the case of UNFPA, are located predominantly, except for DRSAFs, International Programme Officers and National Officers, at headquarters. The function of programme-related personnel at headquarters is to carry out activities of a substantive nature intended to assist or respond to requests of the Governing Council in order to enable the Council to arrive at decisions affecting policies to be adopted in relation to population problems. Of equal importance is their role in providing advice and expert guidance on a continuing basis, whenever required, to Governments, agencies and field offices, as well as monitoring the progress of programme and project activities. The assignments which they undertake are of a continuous nature, and include, in addition to the responsibilities just mentioned, such tasks as the evaluation of project proposals, the appraisal of requests, the oversight of the preparation of project documents, the preparation of annual or periodically recurring reports, studies, statistical and analytical documents, policy proposals, etc. All of these tasks call for specialized knowledge and substantive expertise not available among the personnel employed in carrying out the purely administrative tasks described in paragraphs 26 and 27 above.

30. Just as in the case of purely administrative personnel, staff members employed on a long-term continuing basis in the substantive programme or programme support areas at headquarters—the Programme Division, Policy and Evaluation Division, Technical and Planning Division, Information and External Relations

Division - represent the core of the programming and planning staff of UNFPA and should be recruited and employed under the 100 series of Staff Rules and budgeted as part of the administrative and programme support budget at headquarters.

31. The position of DRSAPs and other Professional programme officers in the field is analogous to that of the programme-related personnel at headquarters. In fact these staff members in their field posts combine in their day-to-day activities both administrative and programme support functions. UNFPA field offices are, in effect, extensions of the headquarters organization to the field. The majority of Professional posts in the field, particularly those at the level of DRSAPs, involve in addition to programming experience, the management of a field office, the supervision of staff and responsibilities relating to financial and other matters. Recognizing this, the Governing Council in decision 85/20 I, paragraph 6, approved the conversion of the posts of DRSAPs and nine other Professional field officers from project financing to UNFPA's regular administrative and programme support services budget. In so doing, the Governing Council determined that field posts and costs of this kind should not be regarded as project-related personnel expenditures and consequently budgeted as project costs, but rather as administration or programme-related personnel expenditures consequently budgeted as administrative and programme support costs, forming part of the regular budget.

C. Project-related personnel expenditures and costs

32. Many projects can be identified as such by source of funds. Undertakings financed from multi-bilateral or other trust funds are typically set up as projects to indicate that they are separately identifiable activities, set apart by source of funds from the regular "programme". The same practice is followed by agencies whose principal source of funding comes from assessed contributions of member States, but who receive in addition voluntary extrabudgetary contributions for specified purposes which are financed as projects. In the case of UNFPA, however, no distinction based on assessed versus voluntary contributions is possible, since UNFPA relies exclusively on voluntary contributions. Consequently other criteria must be sought for identifying those characteristics of an activity which justify the conclusion that it may properly be regarded as a project whose personnel qualify as project personnel, to be recruited under the 200 series of Staff Rules and financed out of project funds rather than the regular administrative and programme support services budget.

1. In the field

33. Since most project expenditures and posts relate to field activities the criteria for determining the characteristics of what constitutes a field project and justifies the employment of project personnel under the 200 series of Staff Rules will be dealt with first. The use of project personnel and project funding for operational activities in the field is of such long standing and so wide-spread throughout the United Nations system as to require little further explanation, since it was precisely for operations of a technical assistance nature in the field that the 200 series of Staff Rules were developed. In actual fact, up to the end of 1985, all UNFPA activities away from headquarters, without exception, were

handled on a project basis and all personnel employed in the Fund's Geneva Office, the DRSAP offices and other UNFPA field establishments were employed as project personnel.

34. It cannot be taken for granted, however, that all activities of UNFPA away from headquarters should be automatically assumed to be project activities, any more than it is correct to assume that all activities at headquarters should be classed as administrative or programme support services, to be financed from the administrative and programme support services budget. Among the principal criteria to be considered in determining whether a particular activity in the field qualifies as a project are the following:

(a) Is the activity in question associated directly with a field operation providing technical assistance or advisory services to specific beneficiaries or groups of beneficiaries, e.g. Governments of one or more developing countries, special categories of population (women, youth, the aged, etc.)?

(b) Is the activity in question a separately identifiable undertaking, clearly distinguishable from routine, ongoing administrative or programme support activities of a continuing nature?

35. Clearly, on the basis of these criteria, activities in the field which form part of a country programme or are directed to the support of specific country or regional activities qualify as projects whose personnel and costs are properly considered as project-related and financed from project funds. On the other hand, some question arises as to whether the practice which has prevailed hitherto (and which has been accepted by the Governing Council) of treating the DRSAP offices and other UNFPA field offices as projects should be continued. As already pointed out above, most of the Professional posts related to these offices, which were previously considered to be project posts and budgeted accordingly, have now been recognized by the Governing Council as posts which should more properly be regarded as administrative and programme support services posts, to be financed as part of the administrative and programme support services budget. Other field posts still categorized as project posts, such as those related to the UNFPA Office in Geneva, locally recruited personnel in UNFPA field offices, etc., should now be reviewed with a view to converting them to administrative and programme support services posts and budgeting them accordingly.

36. If this is done, the position, so far as the field is concerned, will be greatly clarified. UNFPA field personnel in UNFPA field offices will be correctly recognized as administrative and programme support personnel whose expenditures should be financed from the administrative and programme support services budget. The use of project posts, personnel and funds in the field will then be reserved exclusively for undertakings which are directly associated with operational activities related to country or regional projects and which provide technical assistance or advisory services to specific groups of beneficiaries -- principally the Governments of one or more recipient countries or special population groups -- of a kind that UNFPA is in a position to give. In this way, the use of project posts, personnel and funds by UNFPA in the field will be consistent with the criteria for project posts referred to in paragraph 34 and will also be directly in

conformity with the original purposes for which the special 200 series of Staff Rules for project personnel were originally formulated.

2. At headquarters

37. In paragraphs 26 to 31, the Executive Director outlined the criteria for determining what should be regarded as administration-related and programme-related personnel expenditures and costs to be budgeted as part of the regular administrative and programme support services budget. The criteria set forth in those paragraphs apply to the great majority of posts in these categories which are of a long-term nature. However, not all personnel concerned with purely administration or programme-related matters need to be recruited for a long-term continuing service on a full-time basis. Special needs of a short-term nature arise frequently. Many organizations of the United Nations system meet these requirements in various ways, e.g., through the employment of short-term staff (six months or less) under special service agreements or under the 300 series of Staff Rules, or as temporary staff members for longer periods as required. Except in the case of temporary posts, the numbers of which are normally approved as part of the regular budgetary process, expenditures on consultants and the other short-term staff referred to are subject to the usual over all budgetary and financial controls but are not considered as part of the personnel establishment requiring the specific approval of the legislative body for each individual post.

38. In practice, UNFPA has in past years made little use of the arrangements referred to in the preceding paragraph, with the possible exception of consultants, the use of which has been strictly limited. Specifically no provision has been made, in budgets submitted by the Executive Director, for the creation of temporary posts to meet short-term or intermediate-term requirements. Instead the practice has been followed, almost from the inception of UNFPA, to recruit under the 200 series of Staff Rules, as project personnel, experts and other personnel required for special assignments of a specific nature, requiring specialized expertise not otherwise available, usually for limited periods of time. The work to be undertaken in such cases requires full-time attention but is not expected to be of a continuing nature. In the case of Professional personnel, the skills required are not those which are normally available among the "regular" staff carrying out normal administrative duties. Expenditures for General Service staff to assist the Professional in carrying out the project form part of the total project budget. The end product of the special assignment financed on a project basis should be of a distinct, separately identifiable nature, subject to precise quantitative measurement, where possible, or to careful qualitative assessment.

39. Individual experts, whose services are retained by UNFPA for a specific purpose, e.g., the preparation of a brochure, the study of a special problem, or research, preparation and editing of a special document, are engaged either as consultants (if the assignment is of a short-term nature) or as project staff, if the services of an expert are required for a longer period of time. The distinction between the two is difficult to establish and depends, in part, on whether the individual consultant prefers to act as an independent contractor who is free to carry on other activities at the same time, or whether he or she is willing to serve as a full-time staff member for the period of time required, on a project-funded basis.

40. A number of criteria for determining what constitutes a project in connection with headquarters assignments and justifies the employment of project personnel under the 200 series of Staff Rules are applicable to the kinds of situations referred to in the preceding paragraphs. These include the following:

(a) The activity in question should be a separately identifiable undertaking, clearly distinguishable from routine ongoing administrative or programme support services of a continuing nature;

(b) It should be designed with a precise objective which has an identifiable output, to be attained within a specified period of time;

(c) Its output should be capable of being measured (quantitatively) or assessed (qualitatively) against bench-marks of expected results established at the beginning of the undertaking;

(d) It should be capable of being presented for consideration in a full-fledged project document as required by UNFPA Financial Regulation 2.2. P(vi) and Financial Rule 108.4.

41. In addition to the foregoing criteria which are generally applicable in other United Nations bodies for the determination of what should be regarded as project posts generally, the Executive Director proposes to be guided by the following additional considerations in the case of administrative and programme support personnel to be recruited at headquarters for temporary periods not in excess of two years:

(a) For special short-term assignments -- typically six months or less -- the choice to be made is between consultants, who are independent contractors employed under special service agreements and not restricted as to outside employment while working for UNFPA, and persons recruited under the 300 series of Staff Rules. The choice of one or the other alternative is largely a matter of convenience, depending on whether the expert concerned is willing or able to give up other commitments and devote full time to the UNFPA assignment.

(b) For long-term assignments, which by their very nature are not expected to continue indefinitely, the choice is between continuation of arrangements which UNFPA has utilized in the past (employment of project personnel under the 200 series of Staff Rules), and the inclusion of the required post or posts on a temporary basis for a limited period not in excess of two years in the regular administrative and programme support services budget. Personnel may continue to be employed as project personnel and paid from project funds at headquarters if employed in connection with an activity that meets the criteria of a project as set forth in paragraph 40; but in any case where it is anticipated that such personnel will continue to be employed for a period in excess of two years, the circumstances will be reported to the Governing Council at the first appropriate opportunity. In other situations, where the criteria set forth in paragraph 40 are not applicable-- and this will frequently be the case--the Executive Director would propose that UNFPA should, in conformity with the practices followed by the United Nations

Secretariat, UNDP and the United Nations Children's Fund, include provision for whatever temporary post or posts may be required in the biennial budget which is submitted for the approval of the Governing Council through the ACABQ. Should unforeseen needs arise too late for inclusion in the regular budget submissions the Executive Director would propose, if the Governing Council agrees, to recruit the additional personnel required on a provisional basis only and request at the first available opportunity the Council's confirmation and approval of the additional temporary posts required.

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