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P O L I C Y

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

REVISED BUDGET ESTIMATES FOR THE BIENNIUM 1986-1987

Report of the Administrator

Summary

By decision 85/36 the Governing Council approved an appropriation for 1986 only. Consequently, this document contains the Administrator's revised estimates for 1986 and, returning to a biennial framework, estimates for 1986/1987 combined.

The Administrator's revised estimates for 1986 amount to \$162 million (gross), a decrease of \$8.3 million. The revised estimates for the biennium as a whole are \$333.9 million (gross), a reduction of \$12.9 million (3.9 per cent). This reduction consists of a cost decrease of \$18.9 million (5.5 per cent) partially offset by a volume increase in 1987 of \$6 million (1.7 per cent). The cost decrease is attributable to: \$2 million (0.6 per cent) resulting from revised requirements under Africa strengthening; a currency release of \$2.7 million (0.8 per cent); a decrease in inflation of \$14.2 million (4.1 per cent) resulting, in particular, from the projected impact for field duty stations of deferring a post adjustment increase. The volume increase represents the gross cost of reinstating field office estimates pursuant to decision 85/16; this reinstatement in 1987 is the only substantive change being made in the biennial budget.

Income estimates for Government Contributions to Local Office Costs have been adjusted to reflect actual experience of receipts and the implementation of the accounting linkage, and for 1987 a \$3.5 million projected increase as a consequence of decision 85/16. The Administrator's revised net estimates are \$138.8 for 1986 and \$283.5 for the 1986/1987 biennium.

In staffing terms, the estimates reflect a decrease of four extrabudgetary posts at headquarters related to the planned contraction of the Office for Emergency Operations in Africa effective 1 July 1986. Pursuant to decision 85/16, 125 posts have been reinstated under the core budget, offset by their deletion from extrabudgetary estimates.

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INTRODUCTION

1. In common with other organizations of the United Nations system, the United Nations Development Programme (UNDP) operates on the basis of a biennial appropriation. In alternate years, the Administrator submits to the Governing Council estimates of his budgetary requirements for the forthcoming biennium. In the intervening year, it is not the Administrator's custom to introduce substantive changes to his budget; instead he submits an abbreviated document, updating his original estimates by taking account of significant cost adjustments, currency movements and revisions of inflation estimates.

2. However, as has often been noted, the dynamics of UNDP's operational role do not lend themselves to this biennial pattern of budgeting as neatly as do some other United Nations bodies. A case in point is the current biennium, 1986-1987, which spans a significant juncture in UNDP's continued evolution, the last year of the third programming cycle and the first year of the fourth. Since the biennial budget must necessarily reflect the substantive policies and resource deployment of the organization, its approval by the Governing Council was contingent upon the Council itself reaching a consensus on the fourth programming cycle.

3. At the end of its thirty-second session, in June 1985, the Council did achieve a consensus on this issue, in decision 85/16. However, before doing so, the Council approved an appropriation for 1986 only, by decision 85/36, in which it requested the Administrator to submit a full biennial budget consistent with the decision, relating to the fourth cycle at its thirty-third session in June 1986. As a result of this, the budget which the Administrator is submitting this year is more elaborate than would normally be necessary for the mid-biennial submission.

4. The Administrator will set out below the various steps that have been taken in preparing his revised estimates for 1986-1987, starting from the 1986 appropriation decision. In accordance with past practice, this presentation will distinguish between volume changes on the one hand, which represent the "real" changes in estimates, and cost adjustments on the other hand, which represent changes in the estimates as a result of cost, currency or inflation factors; these latter factors are essentially beyond the managerial control of the Administrator.

5. Throughout the document, readers should be conscious of the Administrator's wish to revert to the pattern of biennial estimates. Tables have been converted to provide for this transition in as transparent a manner as possible, providing clear links with the one-year appropriation approved by the Council. Thus annex table 1 which summarizes the Administrator's revised estimates, provides this summary for 1986 and 1987 alone, as well as for 1986-1987 combined. Annex table 2 provides the traditional information on the factors affecting the revision of the estimates separately for 1986 and 1987, as well as for the biennium as a whole. Annex table 3, summarizing the revised income estimates is, like table 1, redesigned to provide information on 1986 and 1987 separately, as well as 1986-1987 combined. Annex table 4, hitherto not provided in a mid-biennial budget, is a direct replica of table 8 in document DP/1985/57, and provides annual figures for staffing levels, since these have been significantly adjusted for 1987 as a result of decision 85/16.

I. SUBSTANTIVE CHANGES

6. The Administrator's original proposals for the 1986-1987 biennium were contained in document DP/1985/57 and Add. 1 reflecting the international staff component of the Africa strengthening package. His proposals were modified by the 1986 appropriation decision and by the fourth cycle decision. This has resulted in the following modification to the estimates presented in document DP/1985/57.

A. Implementation of decision 85/36 relating to the 1986 budget

7. Decision 85/36 authorized a more limited strengthening package for the Division of Information. As a result, two Professional and two General Service posts were deleted from the proposed staffing table, with a corresponding decrease in supporting expenditures. The net increase remaining was two Professional and one General Service posts.

8. Decision 85/36 also authorized a more limited general strengthening package for the UNDP field offices in Africa. Specifically, the Council requested a cutback of 4 Professional posts in the general strengthening component, leaving a net increase of 16 Professional posts, and a cutback of 4 economist posts in the co-ordination component, leaving a total of 12 economist posts in the field offices. In implementing this decision, the Administrator deleted an equivalent number of local support personnel posts.

9. These reductions were embodied in the appropriation decision for 1986 and have been reflected both in the financial estimates and in the staffing tables in this document. A financial explanation of these changes is provided in paragraph 26 below.

B. Implementation of decision 85/16 relating to the fourth programming cycle

10. The Administrator's original proposals for the fourth cycle in respect of field offices was that countries with per capita gross national product (GNP) in excess of \$3,000 should finance the field office, except for costs related to the Resident Representative; such field offices would, therefore, become extrabudgetary. The biennial estimates in document DP/1985/57 embodied a shift to extrabudgetary funding for all such field offices, with resultant savings in the core budget.

11. Effective 1987, while confirming the financial obligations of the countries concerned, the Council, in the fourth cycle decision, decided that this measure should be effected by means of local office cost contributions equivalent to total costs less those of the Resident Representative and the Deputy Resident Representative, where applicable. The posts and operating costs of the offices will not, therefore, be treated as extrabudgetary but as part of the core budget, with a corresponding increase in income.

12. In accordance with decision 85/16, the Administrator has, therefore, reinstated these offices in the core budget for 1987, resulting in an increase in expenditure estimates for that year, offset to a large extent by a corresponding increase in income estimates. In accordance with the established methodology for UNDP's budget estimates, this is reflected as a volume increase in 1987, amounting to \$6 million at original 1987 prices, or \$5.6 million at revised prices. This is presented in annex table 2 for 1987 and for the biennium as a whole. Annex table 3 includes the related increase in income estimates, amounting to \$4.8 million for 1987 when account is taken of the stipulations of the fourth cycle decision. The net cost of reinstatement is therefore \$0.8 million, as a result of the increase in government contributions. The adjustment pertains to UNDP core activities only.

13. In terms of staffing, this reinstatement results in an increase of 11 international and 114 local posts in the 1987 core budget over the level originally proposed by the Administrator in document DP/1985/57. There is a corresponding decrease in the number of extrabudgetary posts envisaged for 1987. The net effect on staffing, taking account of both core and extrabudgetary activities, is therefore nil. A summary of the revised staffing level for core and extrabudgetary activities is provided in annex table 4 in this document, which corresponds to table 8 in document DP/1985/57.

C. The Africa strengthening package

14. The Administrator's original proposals for 1986-1987 included a package of measures designed to strengthen UNDP's operational capacity in Africa. As was explained in some detail in documents DP/1985/16 and DP/1985/57, these measures were divided into three elements: general strengthening of field offices; aid co-ordination; and emergency support. The general strengthening element was to be fully funded by UNDP; the aid coordination and emergency components, on the other hand, were envisaged for extrabudgetary funding insofar as international and headquarters General Service staff were concerned, while UNDP's core budget would provide the local support staff. When it became apparent that extrabudgetary funding would be insufficient to cover all requirements, the Administrator included these posts in his budget estimates, in document DP/1985/57/Add. 1. The Council, however, preferred to retain the extrabudgetary nature of the package, while approving, in the 1986 appropriation decision, a reimbursable subvention from UNDP resources to underwrite it.

15. In his revised estimates for 1986-1987, the Administrator has reviewed the continued validity of the emergency element of the package in the light of developments in the past year. This element was always envisaged as being of limited duration, intended as a response to emergency conditions in selected African countries. By their nature, such emergency situations tend to ebb and flow in individual countries, and therefore the level of demand for UNDP's services might be expected also to fluctuate.

16. Since presenting his original proposals to the donor community and to the UNDP Governing Council in 1985, there have indeed been welcome developments in a number of countries which give substance to UNDP's long-standing contention that relief can and should give way to longer-term development as soon as possible. However,

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crises in certain countries have also deepened, giving rise to heavier-than-expected demands on UNDP resources. In essence, therefore, the Administrator deems it essential that UNDP continue to provide emergency support services in a number of African countries, but the pattern of resource deployment presented in document DP/1985/16 has been modified somewhat to take account of changing circumstances.

17. Specifically, the Administrator has felt it necessary to strengthen UNDP's emergency support services in both the Sudan and Ethiopia, over and above the level earlier envisaged, by redeploying posts within the overall resource level approved last year for this purpose. In both countries, the magnitude of the emergency situation has exceeded original estimates and, as a result, the emergency operations in both of these countries have also proved to be more extensive. While the Administrator is pleased to be able to report the excellent collaboration that the resident co-ordinators have received from other United Nations agencies such as the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF) in staffing the emergency operations in the Sudan and Ethiopia, it has nevertheless proved necessary to enhance UNDP's own emergency staffing in both instances.

18. Under the circumstances prevailing in these two countries, the Administrator felt it appropriate, and the Secretary-General concurred, that the resident representative/resident co-ordinator posts be temporarily reclassified to the Assistant Secretary-General level and that the senior staff members charged with this exceptional level of responsibility be accorded special post allowances to this grade on a strictly temporary basis. A further reinforcement of these offices has also been effected by redeploying emergency posts from other countries where the need is less pressing, in each case leaving a national Professional officer with support staff to assist the Resident Representative. Some redeployment of support staff within the emergency package is also being effected in favour of Ethiopia and the Sudan.

19. One measure of the success of the international response to the African emergency is that the Office of Emergency Operations in Africa (OEOA) is expected to be phased out entirely by the end of 1986. It is gratifying to note that the OEOA has generated co-operative endeavours in each of the affected countries, under the leadership of the Resident Co-ordinator. The Secretary-General is, at the time of this writing, engaged in consultations as to the mandate and structure of the Office after 30 June 1986, the Administrator will be in a position to advise the Council as to implications, financial and otherwise, for UNDP, of the Secretary-General's decision. It is expected that the Secretary-General's decision will enable the Administrator to reduce the staff support which UNDP now provides to OEOA in New York.

20. A summary of the changes that have been, or are to be effected in the international staffing of the emergency component of the package is provided in the following table:

International staffing of emergency package

	<u>Original</u>	<u>Change</u>	<u>Revised</u>
<u>Headquarters</u>			
Professional	3	-2	1
<u>Field offices</u>			
Angola	1	-1	0
Botswana	1	-1	0
Burkina Faso	1	-1	0
Cameroon	1	-	1
Chad	1	-	1
Côte d'Ivoire	1	-1	0
Ethiopia	1	+3	4
Kenya	1	-1	0
Mali	1	-	1
Mauritania	1	-	1
Mozambique	1	-	1
Niger	1	-	1
Somalia	1	-	1
Sudan	1	+2	3
	<u>17</u>	<u>-2</u>	<u>15</u>

21. As regards the co-ordination element of the package, the Administrator has always maintained that this should constitute a longer-term reinforcement of UNDP's capacity to support aid co-ordination efforts in Africa. In line with this approach, it is his intention to seek inclusion of this element in the core budget for the 1988-1989 biennium. In the meantime, he has continued to identify, recruit and assign the best possible professional economists for these posts. While it was originally intended to fill some of these posts in 1985, this did not prove possible. All such posts should, however, be filled by the second half of 1986.

D. Other matters

22. The Administrator has noted the recommendation of the Joint Inspection Unit (JIU), in its report JIU/REP/85/10 of October 1985, that UNDP's Central Evaluation Office should be further strengthened. He feels, however, that it is inappropriate to introduce any changes at the mid-point in the present biennium, but proposes to make his recommendations in the context of the next biennial budget, 1988-1989, which will be reviewed by the Governing Council in June 1987.

23. In its decision 85/26, the Council noted the request by the High-Level Committee on the Review of Technical Co-operation among Developing Countries contained in paragraph 3 of its decision 4/3, that adequate staffing support be provided to the Special Unit for Technical Co-operation among Developing Countries (TCDC). The Administrator has also noted the recommendation of the Joint Inspection Unit, in its report JIU/REP/85/3, for strengthening the Special Unit to enable it to carry out its full range of responsibilities. While every effort is being made to handle the staffing needs of the Unit within the confines of UNDP budgetary constraints at this time, the Administrator feels that it would be preferable, as in the case of the Central Evaluation Office, to make his recommendations in the context of the next biennial budget, 1988-1989. No tangible proposals on this are therefore presented in this document.

24. The Administrator is also cognizant of the fact that his proposal to close the field offices at Belgrade and Bucharest in 1987 has elicited considerable discussion. As requested by the Council in its decision 86/10 at its special session in February 1986, he intends to discuss this matter further with the Governments concerned and will report back to the Council in June on the outcome of these consultations. If the Council decides that the offices are to remain open after December 1986, then an appropriate adjustment to the estimates would have to be made.

25. The Governing Council, by its decision 83/30, authorized the Administrator to carry forward from support cost earnings by the Office for Projects Execution (OPE) during the current biennium an amount not exceeding 10 per cent of the Office's approved gross appropriations for the following biennium. Pursuant to this decision, the Administrator is carrying forward \$900,000 of the 1984-1985 support cost earnings for use in 1986-1987.

II. BUDGET ESTIMATES 1986-1987

26. The following section will summarize the financial parameters that result from the above changes, as well as from cost, currency and inflation changes in the past year. In order to facilitate this, below is a reconciliation for UNDP core activities between the biennial estimates submitted to the Governing Council at its thirty-second session in document DP/1985/57, the appropriation that was approved in decision 85/36, and the starting point for the revised estimates provided in this present document.

Reconciliation for UNDP core activities
 (in thousands of \$US)

	<u>1986</u>	<u>1987</u>	<u>1986-1987</u>
1. Original estimates (DP/1985/57) (Excluding add. 1)	147 310.7	153 293.7	300 604.4
2. Reduction, Division of Information	(134.4)	(140.4)	(274.8)
3. Reduction, Africa strengthening	(415.2)	(513.2)	(928.4)
4. DP/1985/57 (Adjusted)	146 761.1 ^{a/}	152 640.1	299 401.2

^{a/} \$147,761.1 represents the appropriation approved by the Governing Council for UNDP core activities in 1986, in decision 85/36.

27. Thus, the amount of \$299.4 million on line 4 of the above table becomes the starting point for this budget in respect of UNDP core activities, and the figures in line 4 constitute the first column in annex tables 2(a), (b) and (c) of this document respectively. The estimates contained in document DP/1985/57 are the starting point in respect of all other funds. In revising these estimates, the Administrator is proposing gross appropriations for the 1986-1987 biennium of \$287.9 million for UNDP core activities, a reduction of 4.0 per cent from \$299.4 million. The equivalent figure for the budget as a whole is \$333.9 million, a reduction of 3.9 per cent. His estimates for income are \$30.3 million and \$50.4 million respectively, resulting in net estimates of \$257.6 million for core activities and \$283.5 million for the budget as a whole.

28. As set out in annex tables 2(a), (b) and (c), the principle factors affecting these revised estimates for the biennium as a whole are:

(a) A volume increase of \$6 million in 1987, reflecting implementation of Governing Council decision 85/16 concerning the fourth cycle. As explained in paragraphs 10 to 13 above, this has resulted in the need to reinstate in the core budget the costs of those field offices in countries with a per capita GNP in excess of \$3,000 in 1983. This reinstatement is further reflected in a reinstatement of 11 international and 114 local posts in the core staffing; annex table 4 provides this information;

(b) A cost adjustment of \$(0.2) million for UNDP core activities, or \$(2) million overall. The bulk of this reflects a downward adjustment in the resources required for the reimbursable subvention relating to the Africa strengthening package. The remainder represents the net result of several cost adjustments, comprising an adjustment to the average post costing, including a reduction of the within-grade increment factor from 1.2 per cent to 1 per cent per annum for
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international and headquarters General Service staff. This adjustment is offset by increased requirements in respect of income tax reimbursement, medical evacuation, assignment allowance and medical insurance for retirees. Costs for the individual non-core units have also been adjusted to accord with their own expenditure characteristics;

(c) A currency release of \$2.7 million overall, or \$3.9 million for UNDP core activities. This results from the application of the rates of exchange in effect as at 1 February 1986 instead of 1 February 1985 which was the basis for the original estimates;

(d) A release of \$14.2 million overall, or \$13.4 million for UNDP core activities because of a continued slackening in the rate of inflation, including in particular the projected impact for field duty stations of deferring the post adjustment increase. Overall, the estimates embody an inflation rate of 6 per cent, comprising 8 per cent for the field offices and 3.7 per cent for New York; with respect to the latter, with no increases in pensionable remuneration and post adjustment in the current biennium, the effective rate of inflation is 3 per cent. As always, however, these inflation rates are estimates, and will be reviewed again, when the 1986-1987 estimates are revised for the second time in June 1987;

(e) An increase in income estimates for UNDP core activities amounting to \$1.5 million, principally as a result of incorporating the financial obligations of countries with per capita GNP in 1983 in excess of \$3,000, set out in decision 85/16; for these countries, the Administrator has assumed that their obligations will be met in full during 1987. Overall income estimates have also been adjusted to reflect the reinstatement in the core budget of those field offices previously treated as extrabudgetary, as discussed in paragraphs 10 to 13 above. Finally, account has been taken of the experience gained in the first application of the "accounting linkage" between government local office cost obligations on the one hand and voluntary contributions and voluntary programme costs on the other (see DP/1986/59).

29. Turning to the reimbursable subvention, following is a reconciliation between the figures contained in document DP/1985/57/Add.1, decision 85/36 and the Administrator's current estimates of requirements:

Africa strengthening
(in thousands of \$US)

	<u>Expenditure</u>				<u>Income</u>		<u>Reimbursable subvention</u>	
	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>Total</u>	<u>Contributions</u>	<u>Balance a/</u>	<u>1986</u>	<u>1987</u>
1. DP/1985/57/Add.1	1 877.7	3 854.4	4 104.1	9 836.2 <u>b/</u>	2 800.0	7 036.2 <u>c/</u>	-	-
2. DP/1985/57/Add.1 (adjusted)	825.6	2 916.8	3 825.6	7 568.0 <u>d/</u>	2 800.0	4 768.0	3 000.0 <u>e/</u>	1 768.0
3. Revised estimates	588.3	2 224.8	2 650.9	5 464.0 <u>f/</u>	2 984.0 <u>g/</u>	2 480.0 <u>h/</u>	1 026.9	1 453.1

a/ Represents the shortfall between required funding and extrabudgetary contributions pledged or received and therefore constitutes the required level for the reimbursable subvention from UNDP resources.

b/ Based on 30 months of full staffing.

c/ Represents the shortfall which was proposed for inclusion in the UNDP core budget in document DP/1985/57/Add. 1.

d/ Incorporates reductions of four economists, as well as adjustment for phased recruitment of posts.

e/ The \$3 million reimbursable subvention included in appropriation decision 85/36 was calculated on the basis of \$4.8 million balance, prorated through June 1987, to enable the Administrator to contract staff for at least 12 months, until the full 1987 appropriation could be provided by the Council.

f/ Incorporates reduction of two Professional and two General Service posts in headquarters, as a result of the OEOA contraction, as well as further adjustment to the phased recruitment of posts.

g/ Based on contributions and pledges received, both in cash and in kind.

h/ Represents the level of reimbursable subvention being proposed for the biennial budget. The use of these resources will continue to depend upon actual expenditures as against extrabudgetary resources provided by Governments.

III. GOVERNMENT LOCAL OFFICE COST OBLIGATIONS

30. With the transition to the fourth cycle, decision 85/16 altered the base-line for calculating government financial obligations to UNDP in respect of government local office costs (GLOC) from per capita GNP in 1978, which had been applicable for the third cycle, to per capita GNP in 1983 as the basis for the fourth cycle, 1987-1991. It also redefined the dividing lines between different categories, as well as the nature of the obligations for those countries in the two top categories. The Administrator, therefore, wishes to reiterate his interpretation of the Council's intention in this respect, insofar as it affects the waiver policy on local office cost obligations, as follows:

Revised waiver bands for government
local office cost obligations

<u>Category</u>	<u>Waiver^{a/}</u> (%)	<u>Third cycle (1978)</u> (\\$)	<u>Fourth cycle (1983)</u> (\\$)
1	0	3 001 plus	3 001 plus ^{b/}
2	25	1 501 - 3 000	2 001 - 3 000
3	25	-	1 501 - 2 000
4	50	501 - 1 500	751 - 1 500
5	75	0 - 500	0 - 750

^{a/} The first and second waiver bands would be based on total office costs, minus resident representative, deputy resident representative and non-UNDP costs. The third, fourth and fifth bands would be as for current GLOC obligations, i.e. local office costs only, with UNDP bearing the international costs. Calculations for all five waiver bands would be based on actual expenditures incurred.

^{b/} In accordance with decision 85/16, island developing countries with populations of less than 1 million and per capita GNP in 1983 of between \$3,001 and \$4,200 will be treated in the same manner as category 2 countries.

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IV. DRAFT APPROPRIATIONS DECISION FOR THE REVISED
1986-1987 BIENNIAL BUDGET

31. In light of the above, the Administrator recommends the following draft decision for the Council's consideration:

The Governing Council,

Having considered the revised budget estimates of the United Nations Development Programme for the biennium 1986-1987 as contained in document DP/1986/58,

(a) Approves appropriations in an amount of \$333,942,000 (gross) to be allocated from the resources indicated below to finance the 1986-1987 biennial budget, and resolves that the income estimates in an amount of \$50,446,100 shall be used to offset the gross appropriations, resulting in net appropriations of \$283,495,900 as indicated below;

1986-1987 biennial budget
(in thousands of US dollars)

	Gross appropriations	Estimated income	Net appropriations
	-----	-----	-----
<u>Resources of UNDP</u>			
(i) UNDP core activities	287,870.2	(30,300.0)	257,570.2
(ii) OPE	16,945.8	(16,945.8)	0.0
(iii) IAPSU	2,166.7	(2,166.7)	0.0
(iv) UNV	7,308.9	0.0	7,308.9
(v) UNSO-UNDP/UNEP joint venture (institutional support)	2,067.2	(1,033.6)	1,033.6
(vi) TCDC/INRES	739.6	0.0	739.6
(vii) CGIAR	900.0	0.0	900.0
(viii) Africa strengthening	2,480.0	0.0	2,480.0
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Total UNDP	320,478.4	(50,446.1)	270,032.3
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<u>Resources of United Nations Capital Development Fund</u>			
	6,196.5	0.0	6,196.5
<u>Resources of United Nations Revolving Fund for Natural Resources Exploration</u>			
	3,034.2	0.0	3,034.2
<u>Resources of United Nations Sudano-Sahelian Office</u>			
	4,232.9	0.0	4,232.9
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<u>Total appropriations</u>	333,942.0	(50,446.1)	283,495.9
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(b) Takes note of the Administrator's proposals in respect of government local office cost obligations in the fourth cycle;

(c) Takes note of the carry-forward of \$900,000 of the 1984-1985 support cost earnings of the office for Projects Execution for use in 1986-1987.

Annex

Table 1. SUMMARY OF PROPOSED INCREASE/DECREASE IN THE 1986 BUDGET ESTIMATES
AND IN THE 1986-1987 BIENNIAL BUDGET ESTIMATES

(in thousands of US dollars)

Source of funds/appropriation line	1986 approved appro- priations	1986 proposed increase/ decrease	1986 revised estimates	1987 estimates	1986-1987 revised estimates
Resources of UNDP					
(i) UNDP core activities					
Gross appropriations	146,761.1	(7,180.7)	139,580.4	148,289.8	287,870.2
Estimated income	(15,306.1)	2,006.1	(13,300.0)	(17,000.0)	(30,300.0)
Net appropriations	131,455.0	(5,174.6)	126,280.4	131,289.8	257,570.2
(ii) OPE					
Gross appropriations	8,171.1	123.3	8,294.4	8,651.4	16,945.8
Estimated income	(8,171.1)	(123.3)	(8,294.4)	(8,651.4)	(16,945.8)
Net appropriations	0.0	0.0	0.0	0.0	0.0
(iii) IAPSU					
Gross appropriations	964.6	122.3	1,086.9	1,079.8	2,166.7
Estimated income	(964.6)	(122.3)	(1,086.9)	(1,079.8)	(2,166.7)
Net appropriations	0.0	0.0	0.0	0.0	0.0
(iv) UNV					
Gross appropriations	3,092.7	482.8	3,575.5	3,733.4	7,308.9
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	3,092.7	482.8	3,575.5	3,733.4	7,308.9
(v) UNSO-UNDP/UNEP joint venture (institutional support)					
Gross appropriations	996.3	12.1	1,008.4	1,058.8	2,067.2
Estimated income	(504.2)	0.0	(504.2)	(529.4)	(1,033.6)
Net appropriations	492.1	12.1	504.2	529.4	1,033.6
(vi) TCDC/INRES					
Gross appropriations	359.0	3.3	362.3	377.3	739.6
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	359.0	3.3	362.3	377.3	739.6

Table 1 (continued)

Source of funds/appropriation line	1986 approved appro- priations	1986 proposed increase/ decrease	1986 revised estimates	1987 estimates	1986-1987 revised estimates
(vii) CGIAR					
Gross appropriations	450.0	0.0	450.0	450.0	900.0
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	450.0	0.0	450.0	450.0	900.0
(viii) Africa strengthening					
Gross appropriations	3,000.0	(1,973.1)	1,026.9	1,453.1	2,480.0
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	3,000.0	(1,973.1)	1,026.9	1,453.1	2,480.0
Total UNDP					
Gross appropriations	163,794.8	(8,410.0)	155,384.8	165,093.6	320,478.4
Estimated income	(24,946.0)	1,760.5	(23,185.5)	(27,260.6)	(50,446.1)
Net appropriations	138,848.8	(6,649.5)	132,199.3	137,833.0	270,032.3
Resources of UNCDF					
Gross appropriations	3,032.2	19.9	3,052.1	3,144.4	6,196.5
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	3,032.2	19.9	3,052.1	3,144.4	6,196.5
Resources of UNRFNRE					
Gross appropriations	1,468.6	13.3	1,481.9	1,552.3	3,034.2
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	1,468.6	13.3	1,481.9	1,552.3	3,034.2
Resources of UNSO					
Gross appropriations	2,023.5	54.3	2,077.8	2,155.1	4,232.9
Estimated income	0.0	0.0	0.0	0.0	0.0
Net appropriations	2,023.5	54.3	2,077.8	2,155.1	4,232.9
GRAND TOTAL					
Gross appropriations	170,319.1	(8,322.5)	161,996.6	171,945.4	333,942.0
Estimated income	(24,946.0)	1,760.5	(23,185.5)	(27,260.6)	(50,446.1)
Net appropriations	145,373.1	(6,562.0)	138,811.1	144,684.8	283,495.9

Table 2(a). PROPOSED INCREASE/DECREASE IN THE 1986 GROSS BIENNIAL BUDGET ESTIMATES
INDICATING AMOUNTS ATTRIBUTABLE TO VOLUME AND COST CATEGORY
(in thousands of US dollars)

	1986 approved appropriations	Volume increase/ decrease	Cost increase/decrease				Total cost increase/ decrease	Total increase/ decrease	Revised 1986 estimates
			Various cost adjustments	Currency adjustment	Inflation adjustment				
<u>Resources of UNDP</u>									
(i) UNDP core activities	146,761.1 a/	0.0	(133.9)	(1,695.2)	(5,351.6)	(7,180.7)	(7,180.7)	139,580.4	
(ii) OPE	8,171.1	0.0	282.0	0.0	(158.7)	123.3	123.3	8,294.4	
(iii) IAPSU	964.6	0.0	(3.9)	100.7	25.5	122.3	122.3	1,086.9	
(iv) UNV	3,092.7	0.0	25.7	361.3	95.8	482.8	482.8	3,575.5	
(v) UNSO-UNDP/UNEP joint venture (institutional support)	996.3	0.0	6.0	59.9	(53.8)	12.1	12.1	1,008.4	
(vi) TCDC/INRES	359.0	0.0	9.3	0.0	(6.0)	3.3	3.3	362.3	
(vii) CGIAR	450.0	0.0	0.0	0.0	0.0	0.0	0.0	450.0	
(viii) Africa strengthening	3,000.0	0.0	(1,973.1)	0.0	0.0	(1,973.1)	(1,973.1)	1,026.9	
Total resources of UNDP	163,794.8	0.0	(1,787.9)	(1,173.3)	(5,448.8)	(8,410.0)	(8,410.0)	155,384.8	
<u>Resources of UNCDF</u>	3,032.2	0.0	76.4	0.0	(56.5)	19.9	19.9	3,052.1	
<u>Resources of UNRNFRE</u>	1,468.6	0.0	40.5	0.0	(27.2)	13.3	13.3	1,481.9	
<u>Resources of UNSO</u>	2,023.5	0.0	55.0	46.5	(47.2)	54.3	54.3	2,077.8	
Grand total	170,319.1	0.0	(1,616.0)	(1,126.8)	(5,579.7)	(8,322.5)	(8,322.5)	161,996.6	

Table 2(b). PROPOSED INCREASE/DECREASE IN THE 1987 GROSS BIENNIAL BUDGET ESTIMATES
INDICATING AMOUNTS ATTRIBUTABLE TO VOLUME AND COST CATEGORY
(in thousands of US dollars)

	1987 estimates	C o s t i n c r e a s e / d e c r e a s e					Total increase/ decrease	Total increase/ decrease	Revised 1987 estimates
		Volume increase/ decrease	Various cost adjustments	Currency adjustment	Inflation adjustment	Total Cost increase/ decrease			
<u>Resources of UNDP</u>									
(i) UNDP core activities	152,640.1 a/	6,020.7	(68.5)	(2,217.6)	(8,084.9)	(10,371.0)	(4,350.3)	148,289.8	
(ii) OPE	8,930.3	0.0	18.5	0.0	(297.4)	(278.9)	(278.9)	8,651.4	
(iii) IAPSU	1,001.4	0.0	(33.0)	104.9	6.5	78.4	78.4	1,079.8	
(iv) UNV	3,352.4	0.0	(46.9)	386.2	41.7	381.0	381.0	3,733.4	
(v) UNSO-UNDP/UNEP joint venture (institutional support)	1,070.9	0.0	(45.2)	63.8	(30.7)	(12.1)	(12.1)	1,058.8	
(vi) TCDC/INRES	377.4	0.0	11.0	0.0	(11.1)	(0.1)	(0.1)	377.3	
(vii) CGIAR	450.0	0.0	0.0	0.0	0.0	0.0	0.0	450.0	
(viii) Africa strengthening	1,768.0	0.0	(314.9)	0.0	0.0	(314.9)	(314.9)	1,453.1	
Total resources of UNDP	169,590.5	6,020.7	(479.0)	(1,662.7)	(8,375.9)	(10,517.6)	(4,496.9)	165,093.6	
<u>Resources of UNCDF</u>	3,160.7	0.0	93.0	0.0	(109.3)	(16.3)	(16.3)	3,144.4	
<u>Resources of UNRWFRE</u>	1,655.7	0.0	(51.1)	0.0	(52.3)	(103.4)	(103.4)	1,552.3	
<u>Resources of UNSO</u>	2,113.5	0.0	62.0	49.3	(69.7)	41.6	41.6	2,155.1	
Grand total	176,520.4	6,020.7	(375.1)	(1,613.4)	(8,607.2)	(10,595.7)	(4,575.0)	171,945.4	

Table 2(c). PROPOSED INCREASE/DECREASE IN THE 1986-1987 GROSS BIENNIAL BUDGET ESTIMATES
INDICATING AMOUNTS ATTRIBUTABLE TO VOLUME AND COST CATEGORY
(in thousands of US dollars)

	1986-1987 approved appropriations and estimates	Cost increase/decrease					Total cost increase/ decrease	Total increase/ decrease	Revised 1986-1987 estimates
		Volume increase/ decrease	Various cost adjustments	Currency adjustment	Inflation adjustment				
<u>Resources of UNDP</u>									
(i) UNDP core activities	299,401.2 a/	6,020.7	(202.4)	(3,912.8)	(13,436.5)	(17,551.7)	(11,531.0)	287,870.2	
(ii) OPE	17,101.4	0.0	300.5	0.0	(456.1)	(155.6)	(155.6)	16,945.8	
(iii) IAPSU	1,966.0	0.0	(36.9)	205.6	32.0	200.7	200.7	2,166.7	
(iv) UNV	6,445.1	0.0	(21.2)	747.5	137.5	863.8	863.8	7,308.9	
(v) UNSO-UNDP/UNEP joint venture (institutional support)	2,067.2	0.0	(39.2)	123.7	(84.5)	0.0	0.0	2,067.2	
(vi) TCDC/INRES	736.4	0.0	20.3	0.0	(17.1)	3.2	3.2	739.6	
(vii) CGIAR	900.0	0.0	0.0	0.0	0.0	0.0	0.0	900.0	
(viii) Africa strengthening	4,768.0	0.0	(2,288.0)	0.0	0.0	(2,288.0)	(2,288.0)	2,480.0	
Total resources of UNDP	333,385.3	6,020.7	(2,266.9)	(2,836.0)	(13,824.7)	(18,927.6)	(12,906.9)	320,478.4	
<u>Resources of UNCDF</u>	6,192.9	0.0	169.4	0.0	(165.8)	3.6	3.6	6,196.5	
<u>Resources of UNRPNRE</u>	3,124.3	0.0	(10.6)	0.0	(79.5)	(90.1)	(90.1)	3,034.2	
<u>Resources of UNSO</u>	4,137.0	0.0	117.0	95.8	(116.9)	95.9	95.9	4,232.9	
Grand total	346,839.5	6,020.7	(1,991.1)	(2,740.2)	(14,186.9)	(18,918.2)	(12,897.5)	333,942.0	

a/ Based on decision 85/36; see para. 26 of text.

Table 3. PROPOSED INCREASE/DECREASE IN THE 1986-1987 BIENNIAL BUDGET
 INCOME ESTIMATES, BY INCOME CATEGORY

(in thousands of US dollars)

Source of funds/income category	1986 approved income estimates	Proposed increase/ decrease	1986 revised income estimates	1987 income estimates	1986-1987 revised income estimates
Resources of UNDP					
(i) UNDP core activities:					
Host Government contributions in cash	(14,906.1)	2,006.1	(12,900.0)	(16,600.0)	(29,500.0)
Other income	(400.0)	0.0	(400.0)	(400.0)	(800.0)
Subtotal	(15,306.1)	2,006.1	(13,300.0)	(17,000.0)	(30,300.0)
(ii) OPE:					
Reimbursement from agency support cost provisions	(8,171.1)	(123.3)	(8,294.4)	(8,651.4)	(16,945.8)
(iii) IAPSU:					
Reimbursement from agency support cost provisions	(964.6)	(122.3)	(1,086.9)	(1,079.8)	(2,166.7)
(iv) UNSO-UNDP/UNEP joint venture (institutional support):					
Reimbursement by UNEP of one half of the cost of the joint venture (institutional support)	(504.2)	0.0	(504.2)	(529.4)	(1,033.6)
Total UNDP resources	(24,946.0)	1,760.5	(23,185.5)	(27,260.6)	(50,446.1)

Table 4. 1986-1987 BIENNIAL BUDGET STAFFING REQUIREMENTS

A. UNDP core resources

1. Headquarters

Level	Temporary posts											
	Established posts			Budgetary			Extrabudgetary			Total		
	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987
Professional category & above												
Administrator	1	1	1	0	0	0	0	0	0	1	1	1
Assoc. Admin.	1	1	1	0	0	0	0	0	0	1	1	1
Asst. Admin.	7	7	7	0	0	0	0	0	0	7	7	7
D-2	16	18	18	0	0	0	2	2	1	18	20	19
D-1	33	27	27	0	0	0	3	3	3	36	30	30
P-5	55	70	70	0	0	0	4	7	6	59	77	76
P-4	40	46	46	4	0	0	9	7	7	53	53	53
P-3	42	42	42	10	0	0	17	17	17	69	59	59
P-2/1	7	8	8	2	0	0	7	8	8	16	16	16
Total	202	220	220	16	0	0	42	44	42	260	264	262
General Service category												
Senior level	97	98	98	2	0	0	17	21	21	116	119	119
Other levels	213	228	228	10	0	0	48	50	48	271	278	276
Manual	6	6	6	0	0	0	0	0	0	6	6	6
Total	316	332	332	12	0	0	65	71	69	393	403	401
Grand total	518	552	552	28	0	0	107	115	111	653	667	663

Table 4. (continued)

2. Field

Level	Temporary posts											
	Established posts			Budgetary			Extrabudgetary			Total		
	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987
Professional category & above												
Asst. Admin.	1	1	1	0	0	0	0	0	0	1	1	1
D-2	33	34 ^{a/}	34 ^{a/}	0	0	0	0	0	0	33	34	34
D-1	72	68	66	0	0	0	0	0	0	72	68	66
P-5	74	76	76	0	0	0	14	14	13	88	90	89
P-4	85	99	102	0	3	0	13	13	14	98	115	116
P-3	97	100	102	0	2	0	5	5	5	102	107	107
P-2/1	50	35	39	0	4	0	1	1	1	51	40	40
Total	412	413	420	0	9	0	33	33	33	445	455	453
Field Service	52	52	52	0	0	0	0	0	0	52	52	52
Total international staff	464	465	472	0	9	0	33	33	33	497	507	505
Local staff												
National Off.	174	174	201	0	42	12	1	2	2	175	218	215
Local staff	2660	2660	2649	0	67	53	176	212	212	2836	2939	2914
Total	2834	2834	2850	0	109	65	177	214	214	3011	3157	3129
Grand total	3298	3299	3322	0	118	65	210	247	247	3508	3664	3634

^{a/} Includes resident representative posts in the Sudan and Ethiopia which have been temporarily reclassified at the Assistant Secretary-General level (see para. 18 of text).

Table 4. (continued)

3. Total

Level	Temporary posts											
	Established posts			Budgetary			Extrabudgetary			Total		
	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987
Professional category & above												
Administrator	1	1	1	0	0	0	0	0	0	1	1	1
Assoc. Admin.	1	1	1	0	0	0	0	0	0	1	1	1
Asst. Admin.	8	8	8	0	0	0	0	0	0	8	8	8
D-2	49	52	52	0	0	0	2	2	1	51	54	53
D-1	105	95	93	0	0	0	3	3	3	108	98	96
P-5	129	146	146	0	0	0	18	21	19	147	167	165
P-4	125	145	148	4	3	0	22	20	21	151	168	169
P-3	139	142	144	10	2	0	22	22	22	171	166	166
P-2/1	57	43	47	2	4	0	8	9	9	67	56	56
Total	614	633	640	16	9	0	75	77	75	705	719	715
Field Service and General Service												
Field Service	52	52	52	0	0	0	0	0	0	52	52	52
Senior level	97	98	98	2	0	0	17	21	21	116	119	119
Other levels	213	228	228	10	0	0	48	50	48	271	278	276
Manual	6	6	6	0	0	0	0	0	0	6	6	6
Total	368	384	384	12	0	0	65	71	69	445	455	453
Local staff												
National Off.	174	174	201	0	42	12	1	2	2	175	218	215
Local staff	2660	2660	2649	0	67	53	176	212	212	2836	2939	2914
Total	2834	2834	2850	0	109	65	177	214	214	3011	3157	3129
Grand total	3816	3851	3874	28	118	65	317	362	358	4161	4331	4297

Table 4. (continued)

8. UNDP non-core activities

Level	Temporary posts											
	Established posts			Budgetary			Extrabudgetary			Total		
	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987
Professional category & above												
Asst. Admin.	0	0	0	0	0	0	0	0	0	0	0	0
D-2	6	5	5	0	0	0	0	0	0	6	5	5
D-1	10	10	10	1	0	0	0	0	0	11	10	10
P-5	20	20	20	3	1	1	0	0	0	23	21	21
P-4	14	31	31	1	0	0	3	3	3	18	34	34
P-3	20	16	16	0	0	0	0	0	0	20	16	16
P-2/1	16	13	13	3	0	0	0	0	0	19	13	13
Total	86	95	95	8	1	1	3	3	3	97	99	99
Field Service and General Service												
Field Service	0	0	0	0	0	0	0	0	0	0	0	0
Senior level	26	29	29	3	0	0	0	0	0	29	29	29
Other levels	80	96	96	9	0	0	2	2	2	91	98	98
Total	106	125	125	12	0	0	2	2	2	120	127	127
Local staff												
National Off.	0	0	0	0	0	0	0	0	0	0	0	0
Local staff	8	8	8	0	0	0	1	1	1	9	9	9
Total	8	8	8	0	0	0	1	1	1	9	9	9
Grand total	200	228	228	20	1	1	6	6	6	226	235	235

Table 4. (continued)

C. Grand total

Level	Temporary posts											
	Established posts			Budgetary			Extrabudgetary			Total		
	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987	1984-85	1986	1987
Professional category & above												
Administrator	1	1	1	0	0	0	0	0	0	1	1	1
Assoc. Admin.	1	1	1	0	0	0	0	0	0	1	1	1
Asst. Admin.	8	8	8	0	0	0	0	0	0	8	8	8
D-2	55	57	57	0	0	0	2	2	1	57	59	58
D-1	115	105	103	1	0	0	3	3	3	119	108	106
P-5	149	166	166	3	1	1	18	21	19	170	188	186
P-4	139	176	179	5	3	0	25	23	24	169	202	203
P-3	159	158	160	10	2	0	22	22	22	191	182	182
P-2/1	73	56	60	5	4	0	8	9	9	86	69	69
Total	700	728	735	24	10	1	78	80	78	802	818	814
Field Service and General Service												
Field Service	52	52	52	0	0	0	0	0	0	52	52	52
Senior level	123	127	127	5	0	0	17	21	21	145	148	148
Other levels	293	324	324	19	0	0	50	52	50	362	376	374
Manual	6	6	6	0	0	0	0	0	0	6	6	6
Total	474	509	509	24	0	0	67	73	71	565	582	580
Local staff												
National Off.	174	174	201	0	42	12	1	2	2	175	218	215
Local staff	2668	2668	2657	0	67	53	177	213	213	2845	2948	2923
Total	2842	2842	2858	0	109	65	178	215	215	3020	3166	3138
Grand total	4016	4079	4102	48	119	66	323	368	364	4387	4566	4532

