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BUDGETARY AND FINANCE COMMITTEE
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Item 10 of the agenda of the
Budgetary and Finance Committee

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

Draft report of the Budgetary and Finance Committee

Addendum

Rapporteur: Ms. MKHONZA Adelaide Phindile (Swaziland)

CHAPTER I. MATTERS REFERRED TO THE COMMITTEE BY THE COUNCIL

A. 2. Special Programme Resources: Transportation and Communication
Decade in Asia and the Pacific Region

1. For its consideration of item 5 (b) of the Council's agenda, the Committee had before it the note by the Administrator (DP/1986/84).
2. The Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific introduced the item by referring to General Assembly decision 39/227, which had called for support to the Transport and Communications Decade in Asia and the Pacific Region. The Assistant Administrator referred to the importance of communications and transport in the development process and its particular significance for Asia and the Pacific, given the enormous challenges faced by the region in this respect.

He noted that from 1977-1986 \$180 million had been allocated from UNDP Indicative Planning Figure (IPF) resources to the transport and communication sector in the region. The \$6 million that was now being requested represented a reinforcement and a complement to the various substantial investments that had already been made. He further noted that with respect to the regional programme for the fourth cycle, \$29 million had been earmarked for the transportation and communications sector. This represented some 18.5 per cent of the resources available to the regional programme. UNDP had held extensive discussions with the Economic and Social Commission for Asia and the Pacific (ESCAP), the International Telecommunication Union (ITU), the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO) regarding technical co-operation programmes for the Decade. Technical missions had reviewed a large number of project proposals during the course of 1984-1985. Out of the 47 projects items reviewed, a proposal was now being made to proceed with 8 projects. Three projects were to be executed by ESCAP, two by ITU, two by ICAO and one by IMO.

Summary of discussions in the Committee

3. Many members expressed support in principle for the objectives of the Transport and Communications Decade in Asia. Several members noted the particular challenges faced by Asia and the Pacific Region with respect to the transportation and communications sector. Many members requested more detailed information about specific projects proposed for financing. One member inquired as to when the projects had been formulated. Several other members noted that the allocation of Special Programme Resources (SPR) was not usually contingent on information on specific projects and wondered why such information was being requested by some members. Several members

wondered to what extent the projects would be preparatory studies and noted the heavy investments that were usually required in the transportation and communications sector.

4. Several members expressed concern about the position regarding the overall resources from the unallocated segment of SPR and the commitment of most of the resources under this heading before the beginning of the cycle. These and other members expressed concern regarding the proliferation of requests from SPR for regular technical assistance activities and enquired as to whether the resources could not be secured from country or regional IPFs. One member requested information on the amount of resources earmarked for the sector from the regional programme in the third cycle compared to the \$29 million that had been allocated for the fourth cycle. Several members wondered whether there should not be a maximum provisional amount, under the \$6 million proposed. One member asked what the total resources available for the Decade were and asked whether a special fund for voluntary contributions to the Decade had been established, as had been the case with the Decade for Africa. Several members questioned the allocation of resources for the Asia and the Pacific Region as compared to resources available for other regions and, in particular, Africa. Other members considered that this proposal should be considered on its merits and that comparison with other regions should not be made.

5. One member requested further clarification with respect to paragraph 4 of the document which refers to the need to ensure that the developing countries in the South Pacific receive adequate benefits from the proposed projects. Another member expressed concern that overspending of the project budgets could occur, leading to further requests from SPR. The representative from the Universal Postal Union (UPU) noted the important contribution that could be made to the objectives of the Decade by his organization.

Response of the Administration

6. The Director of the Planning and Co-ordination Office stated that under regular procedures, allocations were made by the Administration on the basis of the notional planning figures approved by the Council, subsequently, project budgets were established on the basis of the allocations. In certain cases, however, the Council itself specifically allocated amounts from the notional figure B for particular purposes.
7. The Assistant Administrator emphasized the importance of the transportation and communications sector for the Asia and Pacific Region. He stated that very substantial investments had already been made in the sector. In this connection, he noted that it would not be possible to allocate any further resources from either country or regional IPFs without severely affecting the availability of resources for other sectors. He stated that in the third cycle, about 17 per cent of the regional IPFs was allocated to the transportation and communications sector.
8. He noted that the project proposals were based on extensive analysis carried out as a result of technical missions. He provided more detailed information on each of the projects and stated that further information would be provided as requested. The projects did not comprise long-term preparatory studies. More detailed information on the projects would be available once they have been fully formulated. Regarding the benefits to be gained by the developing countries in the South Pacific, he stated that it was not possible at this time to identify what this might amount to. Regarding the possibility of cost over-runs, he stated that agencies had already been informed that, in the case of projects financed by SPR, it should not be assumed that supplementary resources would be available. He noted in regard to the contribution which the UPU could make, that full consideration had been given

to this area in the formulation of the final projects. He noted that no special funding arrangements had been established to support the objectives of the Decade.

Further discussion in the Committee

9. One member reported to the Committee on the progress made during the course of informal consultations. It was proposed to authorize \$6 million for the purpose, on the understanding that this represented a notional earmarking and that the Council was not approving specific projects. Further, the proposal was being made bearing in mind that some members had expressed concern regarding the overall use of SPR and would seek to rationalize the use of SPR at a future date. Two members stressed the importance of limiting the use of SPR to respond to clearly defined priority needs.
