



**Governing Council  
of the  
United Nations  
Development Programme**

Distr.  
LIMITED

DP/1986/BFC/L.2/Add.20/Annex  
25 June 1986

Original: ENGLISH

---

BUDGETARY AND FINANCE COMMITTEE  
Thirty-third session  
June 1986, Geneva  
Item 10 of the provisional agenda

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

Draft report of the Budgetary and Finance Committee

Rapporteur: Ms. MKHONZA Adelaide Phindile (Swaziland)

Addendum

FURTHER DISCUSSION OF THE COMMITTEE

1. In further discussion on this subject, several delegations expressed concern that the Committee was being asked to make recommendations concerning how the facility should be handled by the Administrator after 1 January 1987, yet there was insufficient information on how the proposed institutional structure would work in practice. In particular, they felt that the Administrator's paper (DP/1986/85) needed to be further elaborated in terms of the prospective role of the Intergovernmental Committee.

RESPONSE OF THE ADMINISTRATION

2. In response to these concerns, the Associate Administrator said it would be premature to attempt to lay down precise guidelines as to the manner in which policy guidance would be given by the Intergovernmental Committee to the Administrator on the priorities to be observed in administering the trust fund. The reason is that paragraph 3 of the Intergovernmental Committee's decision explicitly stated that this is one of the matters which the General Assembly should deal with when it considers the recommendation of the Intergovernmental Committee.

3. UNDP would have been very happy to accept the formulation of the distinguished delegate for India that the Administrator should take into account the views expressed by the IGC on policy and priorities for Science and Technology. This formulation was not accepted by the IGC and as the wording of the recommendation suggests, the IGC was concerned that policy guidance be given subject to the General Assembly deciding a more precise formulation.

4. In the meanwhile, the Administrator's understanding of his responsibility is as follows:

(a) No change is to take place until the General Assembly has acted and any new arrangements would be put into effect on 1 January 1987.

(b) The broad policy framework for Science and Technology is laid down by the Vienna Programme of Action. The IGC, using this as a base, will set out broad areas of priorities and policies which would govern the use of the Trust Fund. This is not inconsistent with the UNDP financial regulations and rules since by definition, a trust fund is set up for a specific purpose which is usually laid down by the donor. In this case, the IGC would be representing the collective will of the Governments. Since the IGC would be

meeting only every other year, it could not set down very precise guidelines as circumstances could quite clearly change during a 24 month period and it is for this reason that the IGC's guidelines would have to allow for flexibility.

(c) UNDP would consult the Centre for Science and Technology on individual project proposals. It would also consult with specialized agencies knowledgeable in the particular area of expertise.

(d) UNDP would report to the IGC in such a form and detail as to enable the IGC both to determine whether UNDP had followed the broad policy guidance it gave as well as to assist the IGC in formulating new policy guidance for the next two years.

(e) UNDP would report to the Governing Council on all aspects of the trust fund operations - substantive, administrative and financial.

(f) In the event the General Assembly's decision was materially different from the above understandings, the Administrator would not put the trust fund into effect on 1 January 1987 but would report to the February 1987 meeting of the Governing Council and seek further instructions.

