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BUDGETARY AND FINANCE COMMITTEE  
Thirty-third session  
June 1986, Geneva  
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

Rapporteur: Ms. MKHONZA Adelaide Phindile (Swaziland)

Addendum

CHAPTER IV. FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

I. Other matters

1. ITU request for additional support cost reimbursement

1. For its consideration of this subject under item 9 (i) of the Council's agenda, the Committee had before it a note by the Administrator describing the background to the request of the International Telecommunication Union (ITU) for additional support cost reimbursement (document DP/1986/60). Copies of the report for the Joint Inspection Unit (JIU) on technical co-operation activities of ITU (JIU/REP/86/4 of April 1986) were also made available to the Committee.

2. In introducing this item, the Deputy Assistant Administrator and Director of Finance recapitulated the background and history of the ITU request, which was being presented to the Committee for the third consecutive year. By decisions 84/31 and 85/43, the Council had, in two previous years, rejected the ITU request for support cost reimbursement over and above that authorized by Council decisions 80/44 and 81/40. No new elements had been introduced by ITU in its present request and consequently DP/1986/60 included the same information which had been provided to the Committee informally at its session in the previous year.

Summary of the discussion in the Committee

3. A representative of ITU outlined the action taken by the Administrative Council of ITU at its 1985 session, following the thirty-second session of the UNDP Governing Council, by which: (a) it confirmed that ITU would, in accordance with Resolution No. 16 of the ITU Plenipotentiary Conference in 1982, fully respect its partnership responsibility with UNDP as from 1 January 1984; (b) it called upon the JIU to carry out a review of ITU technical co-operation activities, including the causes of the deficit incurred in support of these activities; and (c) it instructed the Secretary-General of ITU to continue negotiations with UNDP concerning the reimbursement to ITU of \$644,000 in respect of the years 1980-1983. The ITU representative stated that, in his view, the following were the new elements since the Committee's discussion of this subject in 1985: (a) the ITU Administrative Council had confirmed that as from 1 January 1984 it would take into account decisions of the UNDP Governing Council regarding support cost payments when establishing the credits required to cover ITU total administrative costs to be incurred as a result of its participation in

UNDP-financed activities, (b) the ITU Administrative Council had instructed the ITU Secretary-General to prepare and to submit to its session in June 1986 a financing plan under which any shortfall in income from ITU technical co-operation activities would be absorbed from the resources of ITU itself, and (c) the JIU report (JIU/REP/86/4) had been submitted in April 1986 and included a recommendation that the UNDP Governing Council reconsider the ITU request.

4. Several members of the Committee expressed their surprise that this issue had again been brought to the attention of the Council and considered that there were insufficient grounds for the Council to change the decisions which it had made in 1984 and 1985 on this issue. Some of these members felt that there had been no change in the substance of the issues involved, that the UNDP rules for reimbursement of support cost to agencies were clear, that the danger of setting a precedent for other agencies to request additional reimbursement must be avoided, and that they had not been convinced by the JIU report that they should now approve this request.

5. In view particularly of the JIU conclusions, and the need to stop this issue being shuttled between one governing body and another, other members were prepared to agree to the ITU request for additional support cost reimbursement in the amount of \$644,000, on the clear understanding that: (a) this would not constitute a precedent for ITU or any other executing agency, and (b) this is a one-time compromise and there would be no future request for additional cost reimbursement.

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