Thirty-fifth session
6 June-1 July 1988, Geneva
Item 5 (a) of the provisional agenda

PROGRAMME PLANNING
FOURTH PROGRAMMING CYCLE

Indicative planning figure for Namibia

Report of the Administrator

1. By its decision 87/26 of 19 June 1987, the Governing Council agreed to increase the fourth cycle indicative planning figure (IPF) for Namibia of $6.3 million by an additional $3 million. This increase was subject to:

   (a) The understanding that the higher level of the IPF relates to the fourth cycle only;

   (b) The condition that disbursement of the additional IPF is made in a cost-effective manner; and

   (c) The further condition that disbursements relating to the United Nations Institute for Namibia are made in consonance with the implementation of the decisions taken, and to be taken, by the Senate of the Institute on increased cost-effectiveness.

2. In his report to the Governing Council at its thirty-fourth session in June 1987 (DP/1987/24), the Administrator of the United Nations Development Programme (UNDP) informed the Council of the progress that had been made to date, and was expected to be made in due course, on the subject of the salaries of teaching and managerial staff of the United Nations Institute for Namibia. The Council was informed of the decision taken in January 1987 by the Senate of the Institute to adopt the recommendations of the team appointed to evaluate the Institute's activities. On the subject of cost-effectiveness, the Senate had decided to: (a) establish a staff development programme aimed at increasing the
number and quality of Namibian teaching staff at the Institute; (b) "de-link" the salaries of the Institute staff from United Nations salary scales; and (c) establish new salary scales for the Institute resulting in economies of 33 per cent in the current wage bill for teaching staff of the Institute.

3. The extraordinary meeting of the Senate of the United Nations Institute for Namibia in Addis Ababa originally envisaged for April 1987 did not take place until early May 1987. After due consideration of the views expressed by the South West Africa People's Organization (SWAPO) and staff representatives of the Institute relative to cost-effectiveness, the Senate decided to set a target of 20 to 30 per cent in the proposed downward adjustment of Institute salaries. However, it reversed its earlier decision, taken in January 1987 at Lusaka, of "de-linking" the salary scales of the Institute from those in force in the United Nations system. A Senate Committee was established to work out appropriate salary scales based on levels other than those currently in use at the Institute. Specific proposals on the levels of remuneration were to be considered and approved by the Senate at its next meeting in August 1987 in order for them to be put into effect as of January 1988.

4. At the meeting of the Senate of the United Nations Institute for Namibia in New York in August 1987, further discussion ensued on the salary issue. It was pointed out that the Institute was not in any financial crisis warranting the adjustment decided upon by the Senate, and that salary cuts would contribute to the lowering of staff morale and consequent decrease in the Institute's effectiveness as a viable instrument for the promotion of Namibian awareness and independence.

5. In the light of these considerations, the Senate of the United Nations Institute for Namibia was obliged to reconsider and reverse its earlier decision to establish new salary scales representing economies of 20 to 30 per cent. Instead, a new decision to maintain the salaries of existing Institute staff at their current levels, to employ additional tutors, principal tutors and tutorial assistants at the Field Service level, and to achieve economies of 20 per cent in the overall proposed budget of the Institute without touching the wage bill, was adopted. These economies were brought about by removing capital items from the budget by reducing stipends to students from $574,300 to $407,100 and the secondment programme from $469,700 to $404,700. The budget of the Institute for the three years to 1988 is as follows.

<table>
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<tr>
<th>Year</th>
<th>1986</th>
<th>1987</th>
<th>1988</th>
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<tr>
<td></td>
<td>$4,034,800</td>
<td>$4,151,100</td>
<td>$5,169,700</td>
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6. In recommending the additional increase of $3 million to the Namibia IPF of $6.3 million to the Governing Council in June 1987, UNDP had acted in good faith that the decisions taken by the Senate of the United Nations Institute for Namibia in January and May 1987 on increased cost-effectiveness would be honoured by all the parties involved. As it turned out, the recommendation of the Senate evaluation team on a new salary structure for the Institute ended up becoming a highly-charged, sensitive issue. Even the Institute's policy-making organ, the
Senate, had to reconsider and reverse the decisions on the basis of which the Council had decided to increase the fourth cycle IPF for Namibia. While, in the Senate's view, the new approach for broad-based economies of 20 per cent in the recurrent budget of the Institute is a good enough and acceptable alternative to achieving cost-effectiveness, UNDP has found itself duty-bound to inform the Governing Council and seek its guidance on these developments - particularly in as much as these proposed economies are at the expense of other sections of the Institute's responsibilities such as stipends to students while keeping the salary bill at the same levels.