BUDGETARY AND FINANCE COMMITTEE
Thirty-fifth session
6 June-1 July 1988, 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: Mr. K. Tenkorang (Ghana)

Addendum

CHAPTER IV. FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

F. Agency support costs

ANNEX

1. Following its consideration of the subject, the Budgetary and Finance Committee recommended that the Governing Council adopt the following decision:

   1. **Considers** that the successor arrangements for agency support costs dealt with in paragraph 24 of General Assembly resolution 42/196 should be examined in the wider context of the evolving relationship of the United Nations Development Programme, Governments and the executing agencies of the United Nations system;

   2. **Decides** as a means of facilitating its consideration of the most appropriate successor arrangements, to establish a small group of experts in the field of international development, to make a thorough study of all the
relevant issues and to make available its recommendations no later than 28 February 1990, and requests the Administrator to circulate the report and recommendations immediately, together with the comments of the specialized agencies, to all members of the Council to facilitate full consideration of this matter at the thirty-seventh session (1990) of the Council;

3. **Requests** the Administrator, after consultation with members of the Council and in close consultation with the United Nations agencies, as appropriate, to make a proposal to the Council at its special session in February 1989 on the following:

   (a) The appropriate composition of the group;

   (b) The working methods of the group and a timetable and work programme to be undertaken, following receipt of the group's recommendations, so as to ensure that the Council is in a position to take a decision no later than June 1991;

   (c) An estimate of all costs associated with the exercise, including the programme of work following the group's recommendations;

   (d) The terms of reference for the expert group, which should include, **inter alia**, proposals on:

      (i) The best way for the United Nations Development Programme to provide technical assistance to the developing countries, taking into account the evolution of new modalities for technical co-operation, as well as the capacity of the United Nations system to provide the required services;

      (ii) Appropriate compensation arrangements to the United Nations agencies, Governments and other providers of services for United Nations Development Programme-funded projects on a basis which ensures enhanced accountability, project quality and maximum cost effectiveness;

      (iii) The manner in which the United Nations Development Programme, executing agencies and Governments would participate in this exercise;

      (iv) alternative arrangements between the United Nations Development Programme, executing agencies and Governments in the execution of United Nations Development Programme-financed activities, both projects and programmes.