BUDGETARY AND FINANCE COMMITTEE
Thirty-fifth session
6 June-1 July 1988, Geneva
Item 10 of the agenda of the Budgetary
and Finance Committee

ADOPfON 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 MATTER

A. Annual review of the financial situation, 1987

ANNEX

Recommendation of the Committee

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

I

The Governing Council,

Taking note of the report of the Administrator of the United Nations
Programme on the Annual review of the financial situation (DP/1988/51, Add.1
and Add.2),

Taking into account the observations and comments made by its members on
the report,

GE.88-62206/4809G
Recalling its decisions 80/50 of 30 June 1980 and 85/16 of 29 June 1985 concerning the level of the operational reserve,

1. Notes the favourable resource situation and, in particular, delivery in the first year of the programme cycle;

2. Urges the Administrator, in co-operation with recipient Governments and executing agencies, to continue to improve programme delivery so that it is better aligned with the available balance of resources, without compromising the quality of the programme;

3. Requests the Administrator to report on problems related to the use of accumulated non-convertible currencies;

4. Decides that, notwithstanding the formula for establishing the level of the operational reserve as set out in decision 80/50 of 30 June 1980 and modified by decision 85/16 of 29 June 1985, the level of the operational reserve should be held at $200 million for the time being, and that the reserve should continue to be fully funded;

5. Approves the Administrator's proposals in respect of the Reserve for Construction Loans to Governments, including that it be renamed the Reserve for Field Accommodation.

II

Recalling its decisions 86/50 of 27 June 1986 and 87/48 of 19 June 1987 on sectoral support and reiterating its wish to see co-operation with the United Nations Industrial Development Organization continued in providing the services of Senior Industrial Development Field Advisers to developing countries,

Noting that the open-ended intersessional working group established at the United Nations Industrial Development Organization through decision IDB.3/Dec.48 of the Industrial Development Board is currently reviewing the subject of Senior Industrial Development Field Advisers,

1. Expresses the hope that the open-ended intersessional working group will be able to complete its review in time to enable the Industrial Development Board to decide on this matter at its fourth session so that the Director-General of the United Nations Industrial Development Organization and the Administrator of the United Nations Development Programme may conclude a memorandum of understanding soon thereafter, taking due account of the proposals made in paragraph 11 of document DP/1987/58, which have already been endorsed by the Governing Council;
2. **Emphasizes** that the contribution of the United Nations Development Programme to the Senior Industrial Development Field Advisers programme is inextricably linked both to the integration of Senior Industrial Development Field Advisers into United Nations Development Programme field Offices and to the designation of the United Nations Development Programme Resident Representative as the United Nations Industrial Development Organization Representative;

3. **Agrees** to amend that part of paragraph 1 of decision 87/48 of June 1987 which deals with the classification of Senior Industrial Development Field Advisers posts by raising their maximum level from the P-5 level to the D-1 level in order to enhance the flexibility of the United Nations Industrial Development Organization in recruiting experienced Senior Industrial Development Field Advisers.