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PROGRAMME IMPLEMENTATION

Agency support costs

Note by the President

The Director-General of the Food and Agriculture Organization of the United Nations has transmitted to the President of the Governing Council a report of the joint meeting on UNDP support costs successor arrangements, Rome, 16 May 1990.

The report is transmitted herewith to the Council for its information.

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

PROGRAMME AND FINANCE COMMITTEES

Report of the
Joint Meeting on UNDP Support Costs Successor Arrangements

Rome, 16 May 1990

1. In accordance with the desire expressed by the Conference at its twenty-fifth session, the Programme and Finance Committees jointly considered the developments in the study of and discussions on UNDP support cost arrangements. The Committees recognized that the question of successor arrangements for reimbursement to FAO of support costs incurred in the implementation of UNDP-funded projects had significant implications for the future of FAO's Regular and Field Programmes.
2. The Committees recalled their thorough assessment of the Organization's field operations in the context of the Review of FAO in 1988/89. They had confirmed that FAO's field operations proved to be a vital instrument for making available to governments its worldwide development experience and that FAO's performance compared favourably with that of other United Nations agencies. The Conference had also recognized the catalytic importance of FAO's field operations to Member Nations, recipients and donors alike. In partnership with member countries, the Field Programme had given concrete expression to FAO's aims and objectives and made its presence and impact felt in developing member countries.
3. While recognizing the evolution in operational activities, the Committees expressed strong support to the continued validity of the principle of partnership as laid down in the 1970 Consensus. They stressed the need to maintain the multilateral nature of United Nations operational activities, while avoiding duplication in the implementation of activities.
4. The Committees fully supported the increased emphasis given to the role of recipient governments in the co-ordination and management of United Nations operational activities. The view was expressed that FAO's field operations gave the opportunity to governments to assume such responsibilities in the manner desired by them. The Committees further supported the commitment to the promotion and enhancement of the national/government execution and expressed their appreciation for the efforts made by the Organization within its own field programmes. They also stressed in this regard that there should be an increasingly closer relationship with issues covered in General Assembly resolution 44/211 on operational activities.
5. The majority of the Committees emphasized that the very basis of the Organization's field operations, as well as its mandate for the provision of expertise and advice were directly opened to question by the proposals so far under consideration, which could jeopardize the effectiveness of the Organization's field programmes and compromise the basic principles of partnership confirmed by the Consensus of 1970. Some members did not agree with this analysis.
6. The Committees stressed that the continued access of governments to the expertise and accumulated experience of agencies should not be endangered.

They also noted with concern the possible and undefined implications for the Organization with regard to its structure and staff directly involved in the support of field programmes.

7. The Committees recalled the discussion on agency support costs during the twenty-fifth session of the Conference. The Conference pointed to the decision of the ACC (1989/29) on the need to allow Governing Bodies of the executing agencies to consider the implications of new arrangements, and urged that no premature decision be taken by the UNDP Governing Council. In this context the Committees noted that the FAO Council could only consider this issue at its next session in November 1990.

8. The Committees noted that none of the proposals put forward so far provided an assessment of their financial, administrative and structural implications for all parties concerned. They stressed that a careful assessment of the present support cost arrangements and an in-depth analysis of the implications of any proposed successor arrangements were required.

9. Without prejudging the outcome of the debate in the UNDP Governing Council, the Committees felt that any decision taken before a thorough assessment of the implications would be premature.

10. The majority of the Committees recommended that the issues involved should be brought to the attention of the Council and Conference. The majority expressed the strong hope that no final decision be taken by the forthcoming session in June 1990 of the UNDP Governing Council until the governing bodies of the specialized agencies were consulted and their views taken into account. A few members did not share the above views however, and expressed that in the light of discussions held so far, they saw no basis for postponing a decision indicating the direction of future support cost arrangements.

11. Some members stressed the importance they attached to future arrangements taking into account Resolution 44/211: Comprehensive Triennial Policy Review of Operational Activities for Development of the United Nations System.

12. While noting the position of a few members who do not wish that a decision of the UNDP Governing Council be postponed, the majority of the Committees requested the Director-General to transmit their report to the President of the UNDP Governing Council, and stressed that the UNDP should not take any premature decision regarding this matter.

