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PROGRAMME IMPLEMENTATION

Agency support costs

Note by the President

The President of the Industrial Development Board (IDB) of UNIDO has transmitted to the President of the Governing Council his statement to the IDB, at its sixth session, on agency support costs.

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

Statement delivered by the President of the Industrial Development Board under agenda item 11 on agency support costs

The Industrial Development Board, during its sixth session, having considered document IDB.6/21, had intensive discussions on the subject of agency support costs. As President of the Industrial Development Board, I hereby wish to convey the essence of the discussions, as follows:

The Industrial Development Board took note of the options proposed in the report of the expert group on the study of successor arrangements for support costs and related issues, as well as other proposals put forward by the Administrator of UNDP, CCAQ(FB), specialized agencies and in particular by UNIDO, and more recently by the President of UNDP Governing Council.

The Industrial Development Board assumed that at the thirty-seventh session of the Governing Council of UNDP, a framework decision will be taken, outlining the general structure for the successor arrangements to facilitate consultations between UNDP and agencies. It recommended that, after such consultations, detailed decisions on successor arrangements be made with as full analysis as is possible of the financial impact on the organizations of the United Nations system and its implications for agency budgets, particularly stemming from cost sharing.

The Board believed that the present discussion and debate offer a timely opportunity to redefine the tripartite relationship. At the same time, it reaffirmed the importance of maintaining the technical expertise of specialized agencies and considered that its availability to developing countries should be ensured.

Desiring to strengthen further the capacities of developing countries, the Board reaffirmed the view that there should be gradual implementation of government/national execution of projects in accordance with national capabilities and government priorities, and that transitional arrangements, whenever appropriate, should be adopted to enable Governments and agencies to adjust to any new system of support costs and to changing functions envisaged for Governments and agencies.

The Board further believed that it is most important that any new arrangements should promote greater coherence, effectiveness and transparency in United Nations technical co-operation activities within the framework of a programme approach and thereby best meet the need of developing countries.

The Board requested me to inform you of its views. For further information I would like to refer you to the summary records of the Industrial Development Board on this issue.
