



**Governing Council  
of the  
United Nations  
Development Programme**

Distr.  
GENERAL

DP/1991/36/Add.1  
25 April 1991

ORIGINAL: ENGLISH

Thirty-eighth session  
3 - 21 June 1991, New York  
Item 6 of the provisional agenda  
UNFPA

P O L I C Y

UNITED NATIONS POPULATION FUND

Biennial budget estimates for the administrative and programme  
support services for the 1992-1993 biennium

UNFPA's Reserve for Field Accommodation (RFA)

Note by the Executive Director

Background

1. At its thirty-seventh session, the Governing Council in decision 90/44, paragraph 7, authorized the Administration of UNDP "to utilize, as a last resort, the Reserve for Field Accommodation to purchase office accommodation when such purchase would be shared with organizations of the Joint Consultative Group on Policy (JCGP), and, to the extent possible, with other United Nations organizations in the field." The JCGP, composed of the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the International Fund for Agricultural Development (IFAD), has been active in seeking ways to enhance collaboration among these organizations so as to strengthen effective programme delivery. An important area of such collaboration has been the sharing of common premises and facilities.

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2. With regard to common premises, in the interest of cost effectiveness, the overall policy guiding field representatives of JCGP organizations has been to encourage such organizations to share premises if not already doing so. The policy has at the same time, discouraged organizations from discontinuing existing arrangements to share premises, except under special circumstances, such as the need for additional space owing to rapidly expanding staff that cannot be accommodated in the existing building.

3. In the case of UNDP and UNFPA, both organizations have had a long-standing policy of encouraging the sharing of common premises in the field. They have held ongoing discussions on working arrangements in the field in order to facilitate the implementation of UNFPA's mandate, strengthen the already close collaboration between UNDP and UNFPA and, thereby, improve the overall effectiveness and efficiency of their operational activities. Under current arrangements, UNFPA has agreed with UNDP that the UNDP Resident Representative serves concurrently as the UNFPA Representative. In all matters pertaining to UNFPA activities, the UNFPA Representative is guided by the financial regulations and rules of UNFPA. Under the direction of the UNFPA Executive Director, the UNFPA Representative has responsibility for overall policy and coordination matters of UNFPA and for coordination of population assistance in the context of overall development assistance to the country concerned. In countries where UNFPA has established a field office headed by a UNFPA Country Director, the Country Director is the most senior UNFPA officer after the UNFPA Representative. While retaining overall responsibility for UNFPA in the field, the UNFPA Representative delegates his responsibilities for exercising management and supervisory control over UNFPA activities, field staff and field office to the UNFPA Country Director.

4. UNFPA field offices have been established on the basis of such criteria as the size and complexity of the UNFPA programme, for the purpose of assisting the UNFPA Representative with policy and programming matters, and in particular to assist him in the implementation and monitoring of multi-sectoral population programmes and projects. The UNFPA office staff, in addition to the Country Director, may also comprise other international and national programme officers, as well as support staff. From funds appropriated for rental of premises under the APSS budget, UNFPA pays UNDP for the space it occupies in all shared locations.

#### Financing Common Premises

5. JCGP organizations usually pay for common premises in one of the following three ways:

(a) Governments provide office premises free of charge, but the organizations are required to meet the full cost of repairs and maintenance. In this situation, the cost of repairs and maintenance is pro-rated according to the size of the actual space occupied by the organization. UNFPA pays its share from funds appropriated under the APSS budget;

(b) Host Governments are unable to provide office accommodations but space is available in commercial buildings for renting. In such cases, organizations pay rent according to the space occupied. UNFPA pays its share from funds appropriated under the APSS budget.

(c) When the first option is not available, and in the second option, premises cannot be obtained in a cost-effective manner through renting of commercial space, consideration is given by JCGP organizations to the construction of their own premises. In such cases, the construction costs involved are covered on a pro-rated basis among the organizations sharing the building, in accordance with the space allocated to each one.

6. The construction of office accommodations are currently financed by UNDP from its Reserve for Field Accommodation, which was established by the Governing Council in decision 79/43 and subsequently amended in decisions 81/25, 82/30, 86/42, 87/42, 88/45, 89/47 and 90/44. The UNDP Reserve for Field Accommodation, previously called the Reserve for Construction Loans to Governments, was established as a revolving fund in the amount of \$25 million. In decision 82/30, the Governing Council agreed that UNDP could use up to 20 per cent of the Reserve to finance the construction of office accommodation where Governments are unable to meet their obligations in this regard. Buildings financed through the UNDP Reserve for Field Accommodation, where appropriate, should continue to be shared by JCGP organizations on the understanding that both the operating costs and authorization of capital expenditure would be pro-rated according to the space occupied.

7. UNFPA has been advised by UNDP that funds earmarked by the Governing Council for the construction of office space have been used up and that, as in the case of other members of the JCGP, UNFPA would have to seek approval from the Council to establish its own Reserve for Field Accommodation, which would operate as a revolving fund similar to the one established by the Council for UNDP. UNDP has also informed UNFPA that the Executive Board of UNICEF has authorized UNICEF to establish its own revolving fund at the level of \$22 million, to be used for JCGP construction projects of common premises. However, in the case of WFP, UNFPA was informed that WFP's preferred modality to finance its share of the capital cost of construction projects was the payment of rental advances. In the discussions and agreements among JCGP member organizations, it has been further agreed that all common office premises constructed under the JCGP auspices will be owned by the organizations participating in the construction projects proportionate to their share of the construction costs. Once the construction costs have been repaid, the participating organizations will pay only for building management costs and routine maintenance as well as future repair costs, which would be covered by each organization on a proportional basis. The JCGP organizations have also agreed that, owing to its considerable experience and established institutional arrangements, UNDP will continue to manage and administer the construction projects as well as the operation of the common premises.

#### Recommendation

8. As reflected in the UNFPA Work Plan for 1992-1995 (DP/1991/30), the Executive Director proposes to establish under Financial Regulation 12.2(b) a Reserve for Field Accommodation at the level of \$5.0 million for the 1992-1993 biennium. Such Reserve would be funded from general resources income and operate as a revolving fund to be replenished from amortized schedule of payments to be charged to the APSS budget appropriations for rental of premises of field offices. For the year 1992, \$2.5 million would be earmarked for this reserve and an additional \$2.5 million would be added in 1993.

9. The Executive Director also requests the Council's authorization to make drawdowns from the Reserve for Field Accommodation, in conformance with decisions of the Governing Council, for the purpose of financing UNFPA's share of construction costs of common premises under the auspices of the JCGP.

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