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PROGRAMME PLANNING

Matters relating to the fourth and fifth programming cycles

Report of the Administrator

Summary

The present report contains four sections. Sections I and II respond to paragraph 2 of Governing Council decision 92/9 of 14 February 1992, in which the Council requested the Administrator to prepare a detailed analysis of the resource outlook and its impact on indicative planning figures. Section I examines the resource outlook for the cycle while section II deals with proposed new and revised indicative planning figures, likely future requirements, and the impact of these total requirements on the unallocated resources.

Section III has been prepared in response to paragraph 4 of Governing Council decision 92/6 of 14 February 1992 in which the Council requested information on the manner in which countries have met their fourth cycle net contributor obligations, the final indicative planning figures for the countries covered by decision 91/29 and the projected implications of the implementation of the decision on the maintenance of field offices in those countries and on the 1994-1995 budget.

Section IV responds to Governing Council decision 91/19 of 25 June 1991 concerning assistance to Yemen.

INTRODUCTION AND BACKGROUND

1. At the special session of the Governing Council in February 1992, the Administrator provided information on fifth cycle indicative planning figures (IPFs) and unallocated resources. This was done in the context of discussions on necessary revisions to existing IPFs and the establishment of IPFs for some new recipients. The potential impact of the additional IPF allocations on the unallocated resources for the fifth cycle, provided for in Council decision 90/34 of 23 June 1990, was also reviewed. The Council then adopted decision 92/8 of 14 February 1992, by which it approved the allocation of IPFs to new recipients, and decision 92/9 of 14 February 1992 in which it requested the Administrator to prepare a detailed analysis of the resource outlook for the fifth cycle and its impact on IPFs for the purpose of in-depth consideration of these questions at the thirty-ninth session. Section I of this report examines the resource outlook for the cycle. Section II includes information on the status of the unallocated resources, proposed new and revised IPFs, and an analysis of likely future requirements against these resources. The possible approaches to meet future adjustments to IPFs and new IPF requirements are also dealt with. Sections III and IV relate to other aspects of IPFs for the fifth cycle: matters arising from decision 92/6 on net contributor countries are dealt with in section III while section IV responds to the Council's decision 91/19 concerning assistance to Yemen.

I. RESOURCE OUTLOOK

A. Background

2. Governing Council decision 85/16 established the financial parameters of programme operations for the fourth programming cycle (1987-1991). Subsequently, in its decision 88/31 of 1 July 1988, the Council authorized the establishment of an additional $676 million in programme entitlements against fourth cycle resources, as a result of higher income projections in United States dollars for the fourth programming cycle. The fourth cycle ended with a balance of programmable resources in the United Nations Development Programme (UNDP) account of $158 million, as well as sizeable outstanding pledges of voluntary contributions. However, these are offset by a carry-over to the fifth cycle of fourth cycle IPF entitlements of $183 million and a Special Programme Resources (SPR) entitlement of $69 million (see table 1).

3. A brief review of the programme trends in the last two cycles shows that programme expenditures in 1982 were reduced considerably from their levels in previous years. The reason for this was, inter alia, that resources for the cycle were smaller than projected, as a result of the strengthening of the United States dollar against currencies of other major donors at that time. Subsequently, as resource growth in the cycle fell short of the target, the Governing Council reduced the third cycle IPFs to 55 per cent of their original level. Reductions in programme expenditures continued in 1983 and 1984 since the programme had lost momentum. Finally, in 1985, the trend of decreasing programme expenditure was reversed, and since then there has been a constant growth in the level of annual expenditures. Programme expenditures against IPFs were $867 million in 1991 compared with $487 million in 1985, a 78 per cent growth over the period.

B. Resource projections for the fifth cycle

4. The following factors are of particular relevance in considering the resource projections for the fifth cycle:

(a) In 1991, the last year of the fourth programming cycle, programmable resources declined considerably as a result of

(i) A continuing high level of programme expenditures; and

(ii) The substantial strengthening in 1991 of the United States dollar against currencies of other major donors, resulting in a reduced income level and reductions in the dollar value of assets held;

(b) It is unclear whether voluntary contributions will grow at the rate of 8 per cent per annum, as called for in Governing Council decision 90/34. The pledges for 1992 in national currencies increased by 4 per cent compared to the previous year. This is comparable to the long-term trend of increased contributions in national currencies, namely a 4 per cent average annual increase in the years 1981-1991. It should be emphasized that the Administrator considers such a level of growth entirely inadequate. He continues to maintain that the target of 8 per cent annual growth in contributions, as determined in decision 90/34, should represent the minimum growth. At the present time, however, the Administrator is obliged to use conservative resource estimates for expenditure planning purposes in order to ensure the financial viability of the programme.

5. In order to assess the implications of this situation for programme activities, UNDP held in December 1991 an extensive review of the resource balances held by the Organization, the resource growth assumptions for the next five years and the expenditure pattern practicable within that level of resources. Following the review, the Administrator concluded that IPF and SPR expenditure targets for the next few years had to be adjusted downward moderately in order to achieve a balance between income and expenditure. Table 1 compares the resource assumptions of decision 90/34 with current forecasts. In establishing revised expenditure targets, the following planning criteria were factored:

(a) The UNDP cash holdings, including cash balances held to cover unliquidated obligations and the operational reserve, should at no time drop below four times the average monthly cash requirements;

(b) Planned expenditures should be at a level that does not anticipate the use of the operational reserve, which should be used only in a manner consistent with the financial regulations, i.e., to meet unforeseen needs; and

(c) There should be a smooth transition between years with increasing programme expenditures towards the end of the cycle.

6. On the basis of a conservative forecast of resource growth for the future years, the expenditure targets for the IPF programmes have been set at $780 million for 1992, $760 million for 1993, and $730 million for 1994,

with increases in expenditures projected thereafter. The 1992 target takes account of the slow budget build-up during the first year of each cycle, which allows an easier transition to reduced expenditure targets.

7. Even though the IPF expenditure targets have been reduced, total programme expenditures are likely to continue to grow in view of the continuing increases in recent years of cost-sharing and trust fund contributions. From a level of $79 million in 1987, field programme expenditures against IPF and SPR cost-sharing contributions have grown to $196 million in 1991, more than double the 1987 amount. Cost-sharing contributions are expected to continue to grow in the fifth programming cycle. These increases in cost-sharing do not reflect the rapidly growing expenditures against the $100 million worth of projects approved under the recently established Trust Fund for the Global Environment Facility (GEF), which shows potential for considerable growth in future years. These cost-sharing and trust fund resources are likely to provide the impetus for continued growth of total programme expenditures.

C. Resource management

8. To ensure the financial viability and integrity of the programme, the UNDP resource management system is based on an analysis of short-term and long-term resource indicators and on a programme profile compatible with such indicators. During the period 1986-1991, programmable resources exceeded, often substantially, the projected levels required to meet planned programme expenditures. Under such circumstances of excess liquidity, the challenge facing the planning process was to permit a gradual and sustainable long-term growth of programme activities. With such an approach, available and projected programmable resources may exceed the total IPF in the short run. In the long run, however, the aggregate IPFs should coincide with the amounts of funds available to the programme. To guarantee smooth programme operations, expenditure planning and control is exercised within a revolving five-year financial planning framework. Within this framework, budget and expenditure targets are established for each of the five years, with sufficient flexibility to meet the operational requirements of individual programmes. While resource management systems are important at all times, they become critical at a time when surplus liquidity is declining rapidly.

D. Summary and conclusion

9. As has been shown above, fifth cycle expenditures, barring major unforeseen circumstances, will be kept within available resources. The annual revisions of programming expenditure and budget targets should ensure that this is the case. Contributions and exchange rate movements will be monitored closely, however, and, should they lead to a major variation from the income assumptions, appropriate action will be taken as and when required. The authority granted to Resident Representatives to commit funds against established IPFs would therefore be lower than the level of the IPFs whenever the resource outlook does not guarantee that sufficient resources are available to cover all projected expenditures.

10. The Administrator will provide a comprehensive analysis of the financial situation of UNDP to the Governing Council at its forty-first session (1994), when a mid-term review of resources will be undertaken in accordance with paragraph 1 of decision 90/34. While he will have taken all necessary measures to maintain the financial integrity of the Programme in the interim period, the need for a formal adjustment to the fifth cycle financial envelope will be analysed and reviewed at that time. Follow-up actions will then be taken by the Administrator in accordance with paragraphs 37 and 38 of decision 90/34, by which the Council authorized him to effect either an increase in IPFs or a decrease in IPFs and SPR on a proportional basis, if conditions so require.

II. NEW AND REVISED INDICATIVE PLANNING FIGURES FOR THE FIFTH CYCLE

A. Unallocated resources for the fifth cycle

11. The purpose of the unallocated account is to provide a source of unprogrammed IPF resources for future participants in the programme and for adjustments to existing country IPFs. During the fourth cycle, the unallocated account was established at $68 million, and by the end of the cycle (1991) these resources were completely exhausted. In fact, there was a shortfall in the resources of the fourth cycle account of $9.33 million necessary to adjust the fourth cycle IPFs for Cambodia, Marshall Islands and the Federated States of Micronesia exceeded the resources available in the fourth cycle account. This amount will most likely be offset by the fourth cycle IPFs which were relinquished by countries that did not meet the net contributor provisions of paragraphs 11 to 13 of decision 85/16 of 29 June 1985. When the precise amounts are known, they will be added to the fourth cycle unallocated account. Any remaining deficit will become a charge against the fifth cycle unallocated IPF account established by the Council in paragraph 19 of decision 90/34 at a level of $100 million. For the purpose of the present report, however, funds available under the unallocated account for the fifth cycle are estimated at the level of $100 million.

B. New indicative planning figures

12. In its decision 92/8, the Governing Council approved new IPFs for Latvia, Estonia, Lithuania, Belarus and Ukraine. The total IPF entitlements for these five countries amount to $6.4 million, and are listed in the annex to this document. The amount is a charge against the resources of the unallocated account.

C. Revised indicative planning figures

13. In paragraph 4, of its decision 88/8, the Governing Council decided that for purposes of recalculating country IPFs, UNDP will consider revisions to the per capita gross national product (GNP) for countries only with a period of one year after the establishment of the IPF for the cycle. Thereafter, a revision will be considered only if (a) it varies 10 per cent from the original estimate or (b) such a revision will lower the per capita GNP below

one of the thresholds that are of special significance for IPF calculations or for the establishment of Government obligations for local office costs contributions. No IPF reductions are to be made in cases where the per capita GNP estimate increases.

14. Since the adoption of Governing Council decision 90/34, the 1989 per capita GNP estimates used in the calculation of fifth cycle IPFs for 26 countries have been revised downward. This has resulted in higher IPFs for most of these countries, with a total charge against the unallocated amount of $31.3 million. The revised IPFs are listed in section B of the annex to the present report.

D. New least developed countries

15. On 20 December 1991, the General Assembly adopted new criteria to define least developed countries (LDCs). Five additional countries have obtained LDC status: Cambodia, Madagascar, Zaire, Zambia and Solomon Islands, the IPFs for which have been recalculated to take account of the additional supplementary points which the Governing Council awarded to LDCs in paragraph 21 (a) of decision 90/34. In addition, Namibia has been designated an "as if" LDC. The results are IPF increases which total $47 million. The revised IPFs appear in section C of the annex to the present report.

16. In paragraph 18 of decision 90/34, the Governing Council decided "that least developed countries shall receive 55 per cent of country indicative planning figures, and for this purpose, to allocate the necessary supplement from the field programme resources which had been set aside for the regional programmes to supplement the funds allocated to the LDCs, in proportion to their country indicative planning figures in the fifth cycle". The total IPFs for LDCs, calculated in accordance with the criteria provided in decision 90/34, yielded only 51 per cent of total country IPFs. Therefore, to reach the 55 per cent target, it was necessary to supplement the IPFs for LDCs with $138 million from the regional IPFs. The addition of five new LDCs to the group increases the total country IPFs for LDCs by $225 million, giving the LDC group 58.8 per cent of all IPFs, which is above the 55 per cent mandated by paragraph 18 of decision 90/34. Given the provisions of paragraph 18 of decision 90/34, no supplement is required for the new LDCs. If the $138 million used to supplement the IPFs of the initial LDCs were not excluded, then the IPFs for LDCs would total 57.1 per cent of total country IPFs.

E. Future indicative planning figures

17. The emergence of new republics from the former Soviet Union is likely to have an impact on fifth programming cycle resources. The three Baltic States, Ukraine and Belarus have been accorded IPFs. At the time of writing, Armenia, Kazakhstan, Kyrgyzstan, the Republic of Moldova, the Russian Federation and Turkmenistan have also formally requested recipient status during the fifth cycle; their requests are scheduled for consideration under item 6 (b) of the provisional agenda. There are indications that all the former Republics of the Soviet Union will request recipient status during the fifth cycle. The financial implications of such new IPFs on the unallocated account are quite

significant. Preliminary estimates of 1989 per capita GNP and population for the 10 remaining Republics of the former Soviet Union indicate that all would be eligible for IPFs under the criteria contained in Governing Council decisions 90/34 and 91/29. Georgia, which is one of the remaining 10 Republics, is not a member of UNDP. The estimated total IPFs for this group amount to $32.8 million, as reflected in section D of the annex. This estimate should remain quite firm since the methodology underlying the calculation of IPFs provides that all countries with per capita GNP above $1,464 receive the same GNP weight. In other words, a per capita GNP of $2,200 has the same weight in the calculation of an IPF as a per capita GNP of $1,465. Current estimates of the 1989 per capita GNP of the remaining 10 former Soviet Republics are in the range of $880 for Tajikistan to $2,070 for the Russian Federation, which has the largest population of the 10 Republics. Therefore, differences between illustrative IPFs and final IPFs, occurring as a result of changes in the GNP estimates, are expected to be marginal.

18. The matter of the independence bonus (an award of an additional 15 per cent of the existing IPF plus $500,000) is a subject for consideration by the Governing Council. Under the present interpretation, in order for the bonus to be applied, the independent State must have been previously in existence in a non-independent or non-self-governing status. Under this interpretation, the application of the bonus for the former Republics of the Soviet Union has been limited to Lithuania, Estonia and Latvia.

19. With regard to the new criteria for identifying LDCs mentioned in paragraph 16, the Governing Council should note that the General Assembly, in paragraph 2 of its resolution 46/206 of 20 December 1991, has requested the Committee for Development Planning to undertake every three years a review of low-income countries, with a view to identifying which of those should qualify for inclusion in, or should be graduated from, the list of LDCs. This review may result in changes to the listing and therefore may lead to further charges on the unallocated IPF account in 1994.

20. The Governing Council may wish to address LDC graduation and other policy and methodological matters concerning IPF resources in the context of the mid-term review in 1994, called for in paragraph 1 of decision 90/34. Should the Council so decide, these matters could be elaborated upon in the issues paper on the methodology for allocating programme resources in the sixth programming cycle, which the Administrator will prepare for the fortieth session, in accordance with paragraph 13 of decision 91/29.

F. Summary, conclusions and recommendations

21. As is illustrated in the annex to the present report, the fifth cycle unallocated account of $100 million cannot accommodate all the additional requirements, currently estimated at $117.5 million. In determining the course of action for the remainder of the fifth cycle, the Administrator is guided by decision 90/34 and the principle of equity for both existing and future IPF recipients. In paragraph 38 of decision 90/34, the Governing Council authorizes the Administrator to reduce IPFs and SPR on a proportional

basis, should resource growth in the fifth cycle be insufficient to meet established IPFs. As the additional amount of resources needed for the purposes detailed in the present report, over and above the $100 million available in the unallocated account, is likely to be small, the Administrator would postpone, if the Council so agrees, any necessary adjustments to IPFs and SPR (i.e., a proportional reduction) until the mid-term review (1994) has been carried out. As mentioned in paragraph 10, the need for a formal adjustment of the IPFs and the SPR, either up or down, depending on the resource projection for the fifth cycle, would also be reviewed at that time. While this proposed course of action would result in the IPF envelope being temporarily enlarged, i.e., through 1994, it would ensure continued stability and equity. Provision would also be made at the time of the mid-term review to restore the unallocated account to a level commensurate with the Council's expectation of requirements for the remainder of the fifth cycle.

22. In this context, the Administrator wishes to reiterate his views contained in section I of the present report, which deals with the resource outlook for the fifth programming cycle. Even though it may become necessary at some point to establish IPFs or increase existing IPFs beyond the $100 million available in the unallocated account at the beginning of the cycle, expenditures would not be allowed to exceed available resources, as is explained in paragraphs 8-10 above. Thus, exceeding the $100 million in the unallocated account by a small amount would have no adverse impact on the financial integrity of the Programme. A modest flexibility in committing more resources than are available in the unallocated account, if granted to the Administrator, would avoid the need for him to exercise the authority given to him by the Governing Council in paragraph 38 of its decision 90/34 each time that the total revisions to IPFs or new IPFs would exceed the financial envelope. IPF revisions may, however, be necessary at a later stage, as is explained in paragraphs 10 and 21 above.

III. NET CONTRIBUTOR STATUS

A. Introduction

23. In response to paragraph 12 of Governing Council decision 91/29 of 25 June 1991, the Administrator reported to the Governing Council at its special session in February 1992 on the outcome of the consultations with the countries covered by decision 91/29 (DP/1992/6). Since then, consultations have also been held with Cyprus, Hong Kong, the Republic of Korea, Kuwait and Nauru. The details on the outcome of these consultations are contained in paragraphs 25-27 below.

24. In its decision 92/6, the Governing Council requested the Administrator to inform the Council of the manner in which countries have met their fourth cycle obligations and the final fifth cycle IPFs for the countries covered by the decision. Table 2 contains the relevant information. Certain accounting data in the table require further explanation, which is provided in paragraphs 28 to 32. In paragraph 4 of decision 92/6, the Council also requested information on the projected implications of the implementation of decision 91/29 on the maintenance of field offices in the countries concerned, and on the 1994-1995 budget. This information is provided in paragraphs 33 and 34.

B. Consultations with countries

25. The Governing Council may recall that in the introduction to item 4 of the agenda for its special session in February 1992, the Administrator mentioned that Kuwait would henceforth be included in the group of recipient countries with a per capita GNP above $6,000 for future reporting purposes, because of its de facto status of a net contributor country in previous cycles. Recently completed consultations with the Government of Kuwait indicate that programme activities in Kuwait are likely to exceed $10 million in the course of the fifth cycle.

26. The Government of Cyprus has indicated in consultations that it wishes a continued UNDP presence in the country and that it is prepared to cover the cost of the field office. Since programme activities in the course of the cycle are unlikely to exceed $5 million, the Government will also have to cover the cost of the Resident Representative.

27. The results of other consultations are:

(a) A recently completed mission by the United Nations Volunteers (UNV) to Nauru has identified considerable technical cooperation needs which could be met by UNV. A UNV programme is being discussed with the Government;

(b) Hong Kong has informed UNDP that it intends to maintain its contribution at the level of $37,000 per year. An increase in its contribution towards the financing of programmes focusing on technical cooperation among developing countries (TCDC) is being discussed;

(c) The Republic of Korea has informed UNDP that programme activities are likely to exceed $10 million in the fifth cycle. Furthermore, the size of the programme is expected to be increased; the details of the increase will be decided in the near future. The Administrator wishes to remind the Governing Council that he intends to reduce the cost of offices to correspond to income for all field offices in countries covered by decision 91/29, if voluntary contributions and contributions to local office costs did not cover the full cost of the office in the 1992-1993 biennium (see paragraph 16 of document DP/1992/6). He would complete the process of adjusting field office costs to income by the end of 1994. In view of the above, the Administrator intends to maintain the current international staffing of the Seoul office until the end of 1993, or until the details referred to above are provided, at which point the international staffing of the office would be adjusted accordingly.

C. Status of fourth cycle obligations

28. Libya informed the Administrator in 1991 that it would make the necessary payments to UNDP of voluntary contributions and contributions to local office costs so that its net contributor country obligations would be met in the fourth cycle. Payment was made in 1992 for an amount equivalent to $1.505 million. Of this amount, $643,000 were contributions to local office costs in the fourth cycle, so that Libya would therefore have met its local office cost obligations in the fourth cycle. The balance, $862,000, was earmarked as voluntary contributions to UNDP general resources. However, the payments do not qualify in terms of meeting fourth cycle net contributor

country obligations under the provisions of paragraph 8 of decision 91/29 of 25 June 1991, which stipulates that the accounts for fourth cycle obligations and payments shall be finalized at 31 December 1991. Because its outstanding fourth cycle net contributor obligations exceeded its calculated fifth cycle IPF at the end of 1991, no IPF has been issued to Libya.

29. At the end of December 1991, Bahrain had outstanding field office cost obligations of $1.05 million. By its communication of 25 December 1991 addressed to the Administrator, the Government proposed a payment of $620,000 in settlement of its outstanding obligations to meet the cost of the local office and agreed to pay its local office cost obligations and the cost of its development projects in the fifth cycle. The communication was brought to the attention of the Governing Council in document DP/1992/6/Add.1. The Council took note of the proposed settlement of outstanding field office cost obligations in paragraph 2 of decision 92/6. A payment of $230,000 has been made in 1992 and a schedule for payment of the remainder of the amount is currently being discussed. At the end of 1991, Bahrain's total outstanding obligations as a net contributor country exceeded its fifth cycle IPF entitlement calculated in accordance with Governing Council decision 91/29. Bahrain will therefore not be issued an IPF in the fifth cycle.

30. Singapore has made payments of $20,000 towards meeting its local office cost obligations and $220,000 in voluntary contributions in each year of the fourth programming cycle, except that the payment of the voluntary contribution of $220,000 for 1991 was received only in January 1992. Should Singapore pay its pledged voluntary contribution of $220,000 for 1992 in 1992, as anticipated, the total amount of payments made by Singapore in the fourth cycle and in 1992 will have matched the level of its fourth cycle obligations resulting from its net contributor status.

D. Fourth cycle indicative planning figures

31. The fourth cycle IPFs for the countries with net contributor status in the fourth cycle are the amounts that have been released for programming in accordance with decision 85/16 and subsequent related decisions. The sum of these IPFs is in some cases substantially below the level of the IPFs calculated in accordance with the relevant Governing Council decisions. The difference between the calculated IPFs and the actual IPFs of the net contributor countries of approximately $7 million has been used to cover the deficit in the unallocated account of the fourth cycle. As explained in paragraph 11 above, the amount required in the fourth cycle for the IPFs of new participants and IPF revisions exceeded the amount approved by the Council for this purpose by $9.33 million.

E. Fifth cycle indicative planning figures

32. In accordance with paragraph 5 of decision 91/29, the IPFs of countries covered by decision 91/29 were provided from the $11.55 million set aside for the IPFs of those countries. Countries that did not meet their fourth cycle obligations had their fifth cycle IPFs reduced accordingly. The fifth cycle IPFs are listed in table 2.

F. Maintenance of field offices and impact on the 1994-1995 budget

33. On the basis of consultations concluded so far with the countries concerned, the Administrator is pleased to inform the Governing Council that the countries covered by decision 91/29, where there are currently field offices, are prepared to cover the local cost of the field offices. A programme of $5 million is considered in one country. Two countries are considering the financing of programmes in the fifth cycle of at least $10 million and the remaining countries are already preparing programmes of at least $10 million, likely to exceed $15 million. Based on the projected level of programme activities in these countries, the number of posts budgeted for internationally recruited staff financed by UNDP would be reduced by three. Furthermore, the programmes in two more countries will need to expand considerably in 1992 and 1993 if UNDP is to continue to provide and finance a Resident Representative. Should programme activities not increase substantially, the cost of the Resident Representative in these countries will need to be covered from the contributions these countries make. The Administrator proposes that posts financed from contributions made by governments would become extrabudgetary posts.

34. At this stage, it is not feasible to estimate accurately the financial impact of the decision on the 1994-1995 UNDP budget but the impact should be considerable. As mentioned above, there is likely to be a reduction in the number of field posts for internationally recruited staff financed by UNDP by three, possibly five posts. Furthermore, three additional countries that have graduated to net contributor status must meet the entire local cost of the field offices in their countries. This would raise the number of countries that must do so to 10. Four countries have been added to the category of countries that must meet the full cost of the services provided by the field offices that cover them, or by headquarters, raising the number of countries in the latter group to 12. Details on the budgetary implications of the decision will be included in the Administrator's budget proposals for the biennium 1994-1995.

IV. ASSISTANCE TO YEMEN

35. In its decision 91/19 of 25 June 1991, the Governing Council, noting with concern the influx of thousands of refugees and returnees to Yemen, as well as the adverse economic, social and environmental impact of the Gulf crisis on Yemen, particularly the return of nearly 1 million Yemeni expatriates, requested the Administrator to consider the possibility of allocating an appropriate amount to Yemen in view of the present difficulties and further requested the Administrator to adjust the fifth cycle IPF for Yemen in light of the final data to be provided by the World Bank.

36. The estimates provided to UNDP by the World Bank on 1989 per capita GNP and population, i.e., $640 per capita GNP and a population of 11.17 million, are not expected to be revised. Furthermore, under the fifth cycle IPF calculation for Yemen, a floor supplement of $6.3 million was added to the IPF so that Yemen would receive not less than the combined IPFs for the former Peoples Democratic Republic of Yemen and the Yemen Arab Republic, in

accordance with paragraph 30 of decision 90/34. In order for the calculated IPF for Yemen to increase above the level received in the fourth cycle, its 1989 per capita GNP must be below $300. This is not likely to occur. Under the circumstances, the Administrator is unable to identify a basis for adjusting the fifth cycle IPF for Yemen.

37. In paragraph 3 of its decision 91/19, the Governing Council requested the Administrator to take full account of the scale of the problems caused by returnees in providing resources from the Special Programme Resources allocation for the Countries Most Affected by the Gulf Crisis. The Administrator is pleased to inform the Council that an amount of $400,000 has been made available to Yemen, out of a total of $4 million for all countries affected by the crisis.

Table 1. Comparison of decision 90/34 and current forecast for cycle

	Decision 90/34 a/	Projected income and expenditures during 1992-1996 b/	1992-1996 expenditures using fourth cycle resources c/
BALANCE OF PROGRAMMING RESOURCES AT END OF FOURTH CYCLE c/	0	158 d/	
Income			
Voluntary contributions	6 336	5 782 a/	
Miscellaneous	165	154	
Total available resources	6 501	6 094	
Expenditures			
Programme expenditures			
IPF	4 163	3 910 b/	183
SPR	313	285	69
Special industrial services	15	15	
Sectoral support costs	30	30	
Support costs successor arrangements	635	521	
Programme support development activities:			
Programme development activities, UNV, Gov. Ex., DSS	97	165	
IAPSO		15	
UNDP core budget expenditures	1 158	1 072	
Increase in operational reserve	90	50	
Total expenditures	6 501	6 064	251
Balance of resources at end of fifth cycle	0	30	

a/ Assumes 4 per cent growth in contributions from a 1992 base of $1 067 million.

b/ Includes an estimate of $100 million of expenditures financed from IPF sub-line resources after payments to implementing agents.

c/ The deficit in resources for the fourth cycle is compensated for by outstanding pledges for the fourth cycle of $51 million.

d/ Includes two payments for a total of $105 million made in early 1992 against 1991 pledges.

Table 2. Obligations and contributions of net contributor countries in the fourth cycle and their fifth cycle IPFs, by region

untry	Office costs	GLOC payment	Voluntary contributions	Balance	Expenditures against fourth cycle resources	Net surplus/ deficit	Actual fourth cycle IPF	Finalized fifth cycle IPF
urth cycle								
hrain	1 275.2	0	168.0	-1 107.2	352.56	-1 459.76	312.00	0
.bya	2 376.2	1 439.3	528.4	-408.5	649.75	-1 058.25	575.00	0
ıan	1 445.0	1 283.8	500.0	338.8	868.97	-530.17	769.00	209.83
ıtar	0	0	400.0	400.0	159.33	240.67	381.67	0
ıudi Arabia	2 991.0	2 965.4	12 500.0	12 474.4	3 844.26	8 630.14	4 728.00	0
ıited Arab Emirates	730.0	629.2	1 500.0	1 399.2	1 003.44	395.79	591.00	0
:unei Darussalam	21.1	0	299.3	278.2	0	278.20	278.20	0
›ng Kong	23.7	29.5	185.0	190.8	153.68	37.12	173.12	0
.ngapore	370.8	80.0	880.0	589.2	1 029.43	-440.23	911.00	0
ːrmuda	0	0	0	0	0	0	0	0
:uba	83.4	83.4	0	0	0	0	0	153
ːtherlands ıntilles	148.2	148.2	0	0	0	0	0	251
ıuru	0	0	0	0	0	0	0	0
ıwait	731.5	787.5	2 280.0	2 336.0	0	2 336.00	0	0
:echoslovakia	0	0	1 591.0	1 591.0	149.16	1 441.84	1 573.84	1 602
.fth cycle (in scending order ːr capita GNP)								
ıriname							-	810
ːpublic of Korea							-	4 165
ılta							-	579
ırbados							-	579
,prus							-	1 155
ritish Virgin Islands							102	
ıhamas								0
›tal					8 061.42		10 292.83	9 605.83

ɔtes: Local office costs and local office cost payments are based on 1987-1990 actuals and 1991 projections.

Voluntary contributions are 1987-1990 payments and 1991 pledges.

Expenditures against fourth cycle resources are 1987-1990 expenditures and 1991 estimates. They include IPF expenditures and related support costs.

Actual fourth cycle IPFs are IPFs released for programming in accordance with decision 85/16 and other relevant decisions.

Annex

ESTIMATED REQUIREMENTS: FIFTH CYCLE UNALLOCATED RESOURCES

A. New indicative planning figures (decision 92/8)

	Region	Population 1989	1989 Original	Per capita GNP a/ Revised			Fifth cycle IPF
Ukraine	EU	51.50	1 670	-	-	-	1.776
Lithuania	EU	3.70	2 090	-	-	-	1.240
Belarus	EU	10.20	2 120	-	-	-	1.132
Estonia	EU	1.60	2 220	-	-	-	1.061
Latvia	EU	2.70	2 400	-	-	-	1.155
Subtotal							6.365

B. Revised indicative planning figures
(by increasing order of revised per capita GNP)

	Region	Population 1989	Per capita GNP 1989 Original	Per capita GNP Revised	Fourth cycle IPF	Fifth cycle IPF Original	Fifth cycle IPF Revised	Fifth cycle IPF Change
Viet Nam b/	AP	68.43	250	200	83.55	92.774	100.402	7.628
Equatorial Guinea	AF	.34	430	360	10.38	11.231	11.233	.002
Haiti	LA	6.37	400	360	34.83	37.678	37.678	.000
Kenya	AF	23.28	380	370	40.77	46.095	46.548	.454
Central African Republic	AF	2.95	390	380	24.82	26.919	27.096	.177
Ghana	AF	14.43	390	380	35.81	42.040	42.561	.521
Sao Tome and Principe	AF	.12	520	420	3.29	4.200	4.872	.672
Lesotho	AF	1.72	470	440	14.16	19.607	20.324	.717
Sudan	AS	24.42	540	510	46.74	50.565	52.729	2.164
Mongolia c/	AP	2.16	650	600	7.84	9.781	10.734	.953
Angola	AF	9.69	620	600	24.52	30.880	31.906	1.026
Nicaragua d/	LA	3.74	800	610	10.40	13.646	21.709	8.063
Egypt	AS	53.08	680	640	39.43	39.432	41.648	2.217
Honduras	LA	4.88	900	740	11.56	10.408	12.991	2.583
Morocco	AS	24.57	900	880	22.39	20.147	20.147	.000
Papua New Guinea	AP	3.81	900	890	11.65	10.481	10.481	.000
Syrian Arab Republic	AS	12.08	1 030	960	8.86	11.794	13.19	1.396
Cameroon	AF	11.55	1 010	990	16.82	15.137	15.137	.000
Federated States of Micronesia e/	AP	.10	980	980	1.60	1.598	2.338	.660
Ecuador	LA	10.33	1 040	990	8.86	11.292	12.226	.934
Paraguay	LA	4.16	1 280	1 030	5.76	5.185	5.798	.613
El Salvador	LA	5.21	1 090	1 060	10.77	9.692	9.692	.000
Peru	LA	21.14	1 090	1 060	14.77	13.297	13.297	.000
Marshall Islands e/	AP	.10	1 600	1 600	1.734	1.073	1.561	.488
Subtotal					491.314	534.952	566.298	31.268

C. New least developed countries
(by increasing order of revised per capita GNP)

	Region	Population 1989	1989 Per capita GNP Original	Per capita GNP Revised	Fourth cycle IPF	Fifth cycle IPF Original	Fifth cycle IPF Revised	Fifth cycle IPF Change
Cambodia	AP	8.05	150	150	36.50	41.343	51.574	10.232
Madagascar	AF	11.17	230	220	40.66	55.137	66.495	11.358
Zaire	AF	34.44	260	240	56.93	67.335	82.433	15.098
Zambia	AF	7.84	420	410	20.71	31.645	39.203	7.558
Solomon Islands	AP	.31	580	570	3.74	3.745	6.495	2.750
Namibia (as if)	AF	1.82	1 200	1 200	13.18	11.892	11.892	.000
Subtotal					171.72	211.097	258.092	46.996

D. Projected indicative planning figures
(by increasing order of per capita GNP)

	Population 1989	1989 Per Capita GNP a/ Original	1989 Per Capita GNP a/ Revised	Fifth cycle IPF (Millions of US dollars)
Tajikistan	5.10	880	-	6.133
Uzbekistan	19.80	980	-	8.975
Kyrgyzstan	4.30	1 080	-	3.931
Turkmenistan	3.50	1 200	-	2.666
Kazakhstan	16.50	1 320	-	3.725
Azerbaijan	7.00	1 340	-	2.068
Republic of Moldova	4.30	1 370	-	1.493
Georgia	5.40	1 570	-	0.784
Armenia	3.30	1 680	-	0.627
Russian Federation	147.00	2 070	-	2.423
Subtotal				32.825

TOTAL (i.e., fifth cycle IPFs from A and D plus subtotals of changes in fifth cycle IPFs from B and C — 117.45

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a/ Preliminary estimates based upon unofficial data.

b/ Per capita GNP is estimated to be between $190-200.

c/ Per capita GNP is estimated to be between $520-600.

d/ Per capita GNP is estimated to be between $550-610.

e/ Revised fifth cycle IPF due to fourth cycle independence bonus.