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S U P P O R T

PRELIMINARY CONSIDERATION OF OPTIONS FOR LONGER TERM FINANCING
OF UNDP AND WORK PROGRAMME OF THE COMMITTEE, BEARING IN MIND
THE NEED TO MOBILIZE INCREASED RESOURCES ON AN INCREASINGLY
PREDICTABLE, CONTINUOUS AND ASSURED BASIS

OPTIONS FOR LONGER TERM FINANCING OF UNDP

Replenishment

Note by the Administrator

1. The Intersessional Committee is invited to consider the information provided in paragraphs 9 to 42 of document DP/1982/15, dated 5 April 1982, dealing with the following contribution modalities:

Voluntary contributions;
Multiyear pledging;
Replenishment;
Assessed contributions;
Options involving a combination of voluntary and assessed
contributions.

2. Information is also available in DP/ISG/2, dated 18 December 1979, on Governments' views obtained at that time on multiyear aid programming. This document was prepared for the Intergovernmental Study Group on Future Financing of UNDP. The report of this study group is contained in DP/451, dated 2 March 1980.

3. Further comments are provided below on the replenishment proposals.

4. The main difference of any replenishment arrangements compared with the present system of voluntary contributions to UNDP is to be found in the need to negotiate first a global total of contributions required over a period and a determination of the respective shares of each contributor. In the present UNDP arrangements, the total of resources is regarded as agreed for planning purposes only, and there is no understanding amongst donors regarding the individual responsibility of each.

5. As pointed out in DP/1982/15, any replenishment arrangements proposed for UNDP would not depart from the principle of voluntariness. It is known that, in certain cases, replenishment shares have been regarded as unqualified or legal commitments. In many other cases, however, donors under existing replenishment formulas have made "qualified" commitments. These latter commitments are in essence of a voluntary nature although they would carry a much greater moral requirement to contribute than under existing UNDP arrangements under which, as stated above, individual Governments give no undertakings regarding their contributions towards the total programme.

6. A pre-determination of shares implies some form of burden-sharing although it is clear, from an examination of the various programmes funded by replenishment, that burden-sharing is not necessarily linked to ability to pay, such as, for example, the relative size of GNP, but particularly in the case of the Regional Development Banks, foreign policy and other considerations influence the respective shares of donors.

7. If a replenishment system were to be adopted for UNDP, the only sound basis would be to commence with a core level of contributions based on the past patterns of contributions by each donor. Negotiations would then take place on a formula for sharing additional contributions.

8. A replenishment system could also imply certain changes in the governance and decision-making in UNDP, including the possibility of the establishment of an executive board. The fact that these changes may be necessary is only brought to attention here but clearly would have to be explored in depth if the Committee in principle wished to pursue the replenishment option further.