

UNITED NATIONS DEVELOPMENT PROGRAMME



UNDP

Distr.
RESTRICTED

DP/1982/ICW/CRP.2
15 September 1982

ORIGINAL: ENGLISH

GOVERNING COUNCIL
INTERSESSIONAL COMMITTEE OF THE WHOLE
First session
13-15 September 1982, New York

OUTLINE OF DOCUMENTS TO BE PREPARED BY THE ADMINISTRATOR FOR THE SECOND SESSION OF THE COMMITTEE DEALING WITH THE OPTIONS FOR LONGER-TERM FINANCING OF UNDP

The documents will not deal with two of the options mentioned in decision 82/5, namely, financing of UNDP through assessed contributions or through the combination of voluntary and assessed contributions.

I. Voluntary Annual Contributions

- (a) This aspect of funding of UNDP has been extensively dealt with in papers presented to the Governing Council and to this Committee. The paper therefore will present highlights of the contents of these papers to indicate the results actually achieved under this modality of funding covering the first and second cycles and including the performance in 1982.
- (b) The paper will also cover the experience of other United Nations organizations which are funded by way of voluntary annual pledges.
- (c) An examination will be made of the feasibility and advantages and disadvantages of using SDR as the unit of account with or without maintenance of value provisions.
- (d) The utility of decisions authorizing figures for planning purposes only and the relevance of such decisions to actual programming will be examined.
- (e) An examination will be made of the advantages and disadvantages of this modality from the point of view of the size of resources, efficiency of programming, facilitation of proper planning by the developing countries and satisfaction to the donors as compared with the other two systems covered.

II. Voluntary Multi-year Pledging

This modality will next be considered both as a system for the longer term and also as a medium term measure bridging the present system of voluntary annual pledges on the one hand and a system of replenishment on the other. The paper will cover the following:

- (a) an examination of different systems of multi-year pledging and an attempt to define in precise terms what these different systems involve: among those to be examined will be a system of one-year firm pledges followed by one or two years of indicative pledges with or without provision for an annual review by the contributing government of the pledges for the next two years;
- (b) drawing on information available to UNDP and further information to be sought particularly from major donors as well as advice from an independent legal expert, a review of the legal and constitutional aspects of multi-year pledging ;
- (c) an examination of the experience of other United Nations agencies which may have adopted a system of multi-year pledging;
- (d) an examination of this system in relation to programme planning, and whether in fact the system increases predictability and, if so, whether or not such predictability is at the expense of the level of resources;
- (e) an examination of whether or not a system of multi-year pledging involves a linkage with burden sharing and, further, whether such a system would involve a different modality than the present in determining global resource requirements;
- (f) an examination similar to that proposed in I (c) of the feasibility and advantages and disadvantages of using the SDR as the unit of account with or without maintenance of value provisions;
- (g) an examination of the implications, if any, of multi-year pledging for the present system of governance of UNDP;
- (h) an examination of the advantages and disadvantages of this modality from the point of view of the size of resources, efficiency of programming, facilitation of proper planning by the developing countries and satisfaction to the donors, as compared with the other two systems covered.

III. Voluntary Replenishment

A. Review of Other Experience

The history of replenishment exercises will be examined, in particular, to see whether any conclusions for the future can be drawn from past performance.

- (a) The paper will provide a review of the arrangements and experience of the various programmes within and outside of the United Nations system which are currently funded by the system of replenishment. The review will cover, inter alia, periods covered, eligibility for participation in the negotiations, determination of volumes and shares, etc..
- (b) The review will provide information also on the legal and constitutional provisions made by the contributing Governments.
- (c) The paper will examine the relative growth of resources provided to those institutions since 1972 or their inception, if later, compared with UNDP.

B. Possible Models for UNDP

Drawing on the above examination, the following issues will be examined in relation to a possible replenishment scheme for UNDP:

- (a) the method of determination of the global amount required for the agreed period;
- (b) the relationship of the global amount to possible needs, on the one hand, and realistic estimates of what may be provided by donors on the other;
- (c) the period to be covered for each replenishment together with a determination of whether a period less than the five years would affect the existing concept of a five-year IPF cycle;
- (d) possible formulae for determining the sharing of contributions among donors including the concept of preserving a core or base contribution to UNDP, determined on the basis of past performance;
- (e) the negotiating process both in respect of the total resources for the agreed period and in respect of the shares of donors including such questions as determining the participants in such negotiations. This question will be examined on several different bases, the following being examples only:
 - (i) the possibility of universal participation in the determination of the overall total;

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- (ii) a determination of the proportion of the overall total which would be provided by contributors who are also recipients and the proportion that would be provided by contributors only and, in respect of the latter, the modalities for negotiations of their respective shares.
- (f) the legal and constitutional issues involved, as in the case of multi-year pledging;
- (g) whether the predictability of resources under these arrangements would influence resource levels bearing in mind the experience of other programmes which have been funded by replenishment;
- (h) a projection as to the length of time which the introduction of such a system would take and what would happen in the interim;
- (i) the feasibility and advantages and disadvantages of using the SDR as the unit of account with or without maintenance of value provisions;
- (j) the implications, if any, of a replenishment system for the present system of governance of UNDP;
- (k) an examination of the advantages and disadvantages of this modality from the point of view of the size of resources, efficiency of programming, facilitation of proper planning by the developing countries and satisfaction to the donors as compared with the other two systems covered;
- (l) an examination of the feasibility of a dual system in which some countries participate in a replenishment exercise and others do not.

Other Documentation

In keeping with the comments made by several members of the Committee, the Administrator, in the light of such further guidelines as are given to him, will also be preparing papers on the agenda items 5(a), (b) and (c).