



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

Distr.  
GENERAL

DP/1988/4  
23 December 1987

ORIGINAL: ENGLISH

Special session  
16-18 February 1988, New York  
Item 2 (b) of the provisional agenda

POLICY

Report on the United Nations  
Development Fund for Women

Summary

This report responds to Governing Council decision 87/41 of 18 June 1987, in which the Council noted with interest the conclusions of the recent consultancy study entitled "Evaluation of the United Nations Development Fund for Women" and requested the Administrator and the Director of the United Nations Development Fund for Women jointly to review the recommendations of the study, to determine thereby how the administrative and operational issues raised in the study can be addressed within the mandate and resources of each organization, and to report to the Governing Council at its special session in February 1988 on the steps taken in this regard.

Since implementation of the many recommendations of the review may be expected to be an ongoing exercise, this report does not encompass all of them at this time. It should also be noted that this report is not in the nature of the annual report of the Administrator.

The Council is requested, in particular, to review and advise on the proposal for a change-over from a full-to a partial-funding base, which appears as annex II to this document.

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C O N T E N T S

	Paragraphs	Page
I. INTRODUCTION	1-3	3
II. OPERATIONAL POLICIES AND ORGANIZATION OF UNIFEM		
A. Operational analysis	4-26	3
B. The project cycle	27-30	13
III. UNDP AND UNIFEM RELATIONSHIPS AT HEADQUARTERS AND IN THE FIELD	31-33	14
IV. CO-OPERATION WITH UNITED NATIONS ORGANIZATIONS, GOVERNMENTS AND NON-GOVERNMENTAL ORGANIZATIONS	34-38	15

A N N E X E S

- I. Steps Taken by UNDP and UNIFEM to Address The Administrative and Operational Issues Raised in The Consultancy Study of UNIFEM
- II. Analysis of The Financial Management Implications for UNIFEM of The Potential Change-over From a Full to a Partial Funding Base

Appendix I. Resource Planning Table for UNIFEM (1987-1991) Under Full Funding

Appendix II. Resource Planning Table for UNIFEM (1987-1991) Under Partial Funding

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## I. INTRODUCTION

1. In decision 87/41 of 18 June 1987, the Governing Council noted with interest the conclusions of the recent consultancy study entitled "Evaluation of the United Nations Development Fund for Women" and requested the Administrator of the United Nations Development Programme (UNDP) and the Director of the United Nations Development Fund for Women (UNIFEM) jointly to review the recommendations of the study, to determine thereby how the administrative and operational issues raised in the study can be addressed within the mandate and resources of each organization, and to report to the Governing Council at its special session in February 1988 on the steps taken in this regard.

2. The conclusion of the review was that, provided the recommendations are accepted and implemented, UNIFEM should be able to operate successfully in an autonomous association with UNDP, as called for in the resolution adopted by the General Assembly (A/39/125).

3. This report provides information on actions taken towards the implementation of the recommendations of the review in the sub-areas of operational policies and organization of the Fund; UNDP and UNIFEM relationships at headquarters and field levels; and UNIFEM co-operation with United Nations organizations, governments and non-governmental organizations (NGOs). Of note is that implementation of the recommendations, as with those of any analysis, can be expected to be an ongoing exercise, including periodic reassessments of progress and directions. This report is thus not intended to encompass all of the recommendations on the Fund. For ease of reference annex I contains an index of recommendations, the review, actions completed or in progress and references to this and other documents.

## II. OPERATIONAL POLICIES AND ORGANIZATION OF UNIFEM

4. Conceptually, UNIFEM was created at the interface of two major agenda items of the General Assembly, development and women. The purpose of the Voluntary Fund for the United Nations Decade for Women (predecessor to UNIFEM) was to forge linkages between the two issues. Its creation recognized that women in low-income societies throughout the world are not simply the victims of crisis. They are the providers of food, fuel, water, and often of the whole family income; the sustainers and developers of their families, communities and countries. It recognized, therefore, that the fate of women is a critical determinant of the fate of whole societies, and it proposed that a special financial and technical enabling instrument - a fund - was needed to reach the long-term goal of having women considered in appropriate ways in all development co-operation activities.

5. Thus, the underlying reality in the creation of UNIFEM was the fact that women play key roles in low-income societies, and consequently can become important social and economic motivators. Examples of women's key roles abound. They include their responsibilities in environmental issues such as water and fuel, and food security, and their consequent interest in technologies, training and credit, which can facilitate and increase the productivity of the tasks related to these areas, while simultaneously making them less burdensome. Channeling financial and technical support to women thus has the potential for a significant multiplier effect on the community at large.

6. The above reasoning for the establishment of the Fund led to the formulation of the main UNIFEM policy documents which are:

- (a) General Assembly resolution 39/125 of 14 December 1984, which sets out the Fund's two operational strategies and defines its organizational location with UNDP. The continuing and augmented necessity to create linkages between the women and the development agendas of the United Nations is reflected in the two priority approaches given to UNIFEM in the resolution. The first priority is to serve as catalyst on the United Nations overall development co-operation system, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at the pre-investment stage; the second is to support innovative and experimental activities, benefiting women, in line with national and regional priorities;
- (b) the Forward Looking Assessment, 1985, entitled Development Co-operation with Women: the Experience and Future Directions of the Fund (United Nations Publication, Sales No. E. 85.IV.6.), which analysed the output and impact of one third of the Fund's portfolio at that time, based on independent evaluations and desk reviews, and drew conclusions on the future of the Fund;
- (c) the regional frameworks recommended by the Consultative Committee on the Fund, which define priority pre-investment and financing areas in accordance with national and regional priorities, thus sharpening the UNIFEM focus through a process of selectivity; the frameworks include the Africa Investment Plan (AIP), the Participatory Action Plan for Latin America and the Caribbean (PAPLAC), and the forthcoming plan for Asia and the Pacific.

7. The above policy documents provide the substantive foundations for programming the Fund's operational activities for the forthcoming two biennia. The operational analysis requested in the evaluation report also relates to earlier administrative arrangements with UNDP, and to the most recent one, Guidelines on the operational relationship between UNIFEM and UNDP (November 1987), a new administrative document, signed jointly by the Administrator of UNDP and the Fund Director of UNIFEM. The Guidelines follows

on the earlier memorandum of understanding (1980) and the provisions of the annex to General Assembly resolution 39/125. Major sections of the Guidelines are on interaction between the Administrator and the Fund Director; principles governing UNIFEM and UNDP collaboration in programming and implementation of technical assistance at the country, regional and interregional level; and administrative, financial and other management services. The Guidelines thus assist the response to the review which is the subject of this document.

## A. Operational analysis

### 1. Goals of the operational activities

8. With the above documents as foundations, UNIFEM management actions for operational activities 1987-1991 have as their goals growth to respond to increased demand, sustainability of efforts begun in earlier years and institution-building to manage the expanded programme and develop expertise in relevant sectors.

9. The long-term goal of UNIFEM operational activities is to make a measurable contribution to sustained national capacities for development through the appropriate involvement of women in the mainstream of their societies and economies. In this regard, it can be expected that the full engagement of that half of the world's human resources who are women will make a significant impact on the directions of future development.

10. Since capacities to involve women are dependent upon human and institutional resource strengths, the medium-term goal is to achieve measurable progress toward sustainability through the Fund's catalytic activities - channeling mainstream resources for women - and its innovative and experimental support to women in partnership with Governments, NGOs, United Nations and other organizations. Strategically, therefore, UNIFEM will continue to pursue the dual thrusts of General Assembly resolution 39/125.

11. The Fund began the process of translating the broad strategies into medium term plans by moving from project to programmatic approaches. Guided by its Consultative Committee, in 1978-1979 the Fund concentrated on building up the capacities of the United Nations regional economic commissions to involve women appropriately in their programmes. Recognizing that regional approaches were most often at the macro level, and desirous of developing a grass-roots outreach, including working with NGOs, the Committee advised the secretariat to make linkages directly at the country level from 1980. It was at this time that the first agreement was reached with UNDP to supervise, and provide reports on country level projects. This institutional evolution gave rise to the development of regional plans in 1984; these in turn are being translated into specific annual work programmes with time frames. The plans

help rationalize resource utilization and integrate operationally the dual mandate of UNIFEM. UNIFEM also is developing technical expertise in areas of particular concern for women. For example, the existing food technology and credit support programmes form the foundation for building national capacity for technological transfer.

## 2. Resource projections

12. For programming purposes, the financial growth of UNIFEM is foreseen at some 10 percent annually. This is a conservative figure, since following the 1987 United Nations Pledging Conference for Development Activities, the UNDP treasury forecast a 25 percent increase for 1988 over 1987 income. Coupled with the potential increased availability of financial resources resultant on a switch from full to partial funding, however, this growth could allow an annual programme of \$20 million by 1991. The evaluation cites the figure of \$20 million by the end of eighties, early nineties; of note however is the expectation that it will still allow UNIFEM to respond to only one-fourth of demands. Programme commitments will still cover only 25 percent of anticipated requests to be made on Fund resources. The proposed move to partial funding (see below) will help address demand and further accelerate growth. Creation of its own finance unit, already in process, will strengthen the Fund's capacity for direct accountability through its own financial management.

## 3. Programme elements and costing

13. Conversion of the above overview to annual and costed plans is shown in the table, which follows, entitled Operational activities for the medium term 1987-1991 and estimated financial requirements: preliminary estimates. It outlines proposed operational activities of UNIFEM for the two biennia through 1991, by programme element, number of units (activities within the particular category) and by value, in United States dollars, of a unit and of the aggregated activities of all units. Catalytic/mainstreaming activities are referred to as Programme I, and innovative activities as Programme II of the Fund's strategic approaches, in accordance with its mandate. Included in these programmes are preparatory activities - the data profiles, needs assessments and programming which set the priorities and directions for activities. Following them are special activities related to the Fund's regional plans and interregional programme. Thereafter, the administrative and programme support costs are set out, as are the projected costs of informational and fund-raising activities.

OPERATIONAL ACTIVITIES FOR THE MEDIUM TERM 1987-1991 AND ESTIMATED FINANCIAL REQUIREMENTS: PRELIMINARY ESTIMATES

Programme elements	1987			1988			1989			1990			1991			TOTAL
	Units	\$000/U	\$'000	Units	\$000/U	\$'000	Units	\$000/U	\$'000	Units	\$000/U	\$'000	Units	\$000/U	\$'000	
<b>PROGRAMME I:</b>																
MAINSTREAMING <sup>a/</sup>	65	10	650	70	10	700	81	11	891	86	11	946	100	12	1 200	4 387
<b>PROGRAMME II. DIRECT SUPPORT<sup>b/</sup></b>																
Project subtotal	34	113	3 850	46	122	5 606	58	133	7 686	78	136	10 582	81	151	12 240	39 964
Micro projects <sup>c/</sup>	20	20	400	20	20	400	20	20	400	20	30	600	20	30	600	2 400
Reimbursable programming facility <sup>d/</sup>	20	10	200	25	10	250	25	11	275	30	11	330	30	12	360	1 415
Total			4 450			6 256			8 356			11 512			13 200	43 779
<b>REGIONAL PLANS</b>																
<b>African Investment Plan (AIP)<sup>e/</sup></b>																
Subregional advisors	1	150	150	3	150	450	3	160	480	3	160	480	3	170	510	2 070
Other substantive costs <sup>f/</sup>			50			150			150			160			160	670
Regional projects	2	150	300	2	150	300	2	160	320	2	160	320	2	180	360	1 600
Total			500			900			950			960			1 030	4 340
<b>PAPLACS<sup>g/</sup></b>																
Subregional advisors	3	150	450	3	150	450	3	160	480	3	160	480	3	170	510	2 370
Other substantive costs <sup>f/</sup>			150			150			150			160			160	770
Regional projects	2	150	300	2	150	300	2	160	320	2	160	320	2	180	360	1 600
Total			900			900			950			960			1 030	4 740
<b>Asia/Pacific Plan<sup>h/</sup></b>																
Subregional advisors			-	2	150	300	3	160	480	3	160	480	3	170	510	1 770
Other substantive costs <sup>f/</sup>			-			100			150			160			160	570
Regional projects	2	150	300	2	150	300	2	160	320	2	160	320	2	180	360	1 600
Total			300			700			950			960			1 030	3 940
<b>INTERREGIONAL PROGRAMME</b>																
Interregional projects	2	180	360	3	180	540	3	200	600	4	200	800	4	220	880	3 180
Total			360			540			600			800			880	3 180
Programme total			7 160			9 996			12 702			16 138			18 370	64 366

Programme elements	1987			1988			1989			1990			1991			TOTAL
	Units	\$000/U	\$'000	Units	\$000/U	\$'000	Units	\$000/U	\$'000	Units	\$000/U	\$'000	Units	\$000/U	\$'000	\$'000
ADMINISTRATIVE COST <sup>i/</sup>			1 065			1 700			1 700			2 000			2 000	8,465
PROGRAMME SUPPORT COST <sup>j/</sup>			300			350			400			450			500	2 000
INFORMATION/FUND RAISING <sup>k</sup>			210			240			300			360			450	1 560
Total			<u>1 575</u>			<u>2 290</u>			<u>2 400</u>			<u>2 810</u>			<u>2 950</u>	<u>12 025</u>
Grand total			<u>8 735</u>			<u>12 286</u>			<u>15 102</u>			<u>18 948</u>			<u>21 320</u>	<u>76 391</u>

- <sup>a/</sup> UNIFEM mainstreaming includes, on a selective basis, country programming and round-table exercises and NATCAPS with UNDP; multidisciplinary programming missions with other funds, programmes and agencies including United Nations, Inter-governmental and other organizations; national development planning, etc. A "unit" here refers to one country in which UNIFEM assisted a round-table meeting, a country programming, a national development planning exercise, a NATCAP, etc.
- <sup>b/</sup> Includes field level projects in priority areas; revolving credit funds; institutional support; etc.
- <sup>c/</sup> Micro projects are funded under discretionary funding, mainly for pre-project activities and/or bridging funding until larger inputs become available.
- <sup>d/</sup> Costs incurred under the programming facility can be expected to be reimbursed on approval of the project.
- <sup>e/</sup> \$575,000 was approved at the twentieth session of the Consultative Committee for 1987 and 1988 activities.
- <sup>f/</sup> Includes costs for data bases, small seminars and workshops, fellowships, publications, etc.
- <sup>g/</sup> \$496,000 was approved at the twentieth session of the Consultative Committee for 1987 and 1988 activities.
- <sup>h/</sup> Under development in 1987-1988.
- <sup>i/</sup> Administrative costs at UNIFEM headquarters.
- <sup>j/</sup> Support cost for ensuring implementation of priority programmes in specialized fields such as credit, food technologies, knowledge bank, etc.
- <sup>k/</sup> Budgeted approximately at 3 per cent of the total income of UNIFEM in each year.



#### 4. Programme I: Mainstreaming

14. The catalytic role of UNIFEM, popularly known as mainstreaming, is shown quantitatively in the table and is entitled Programme I: Mainstreaming. Catalytic actions will continue to be directed to three categories of targets. First, while continuing to monitor its association with the UNDP-assisted instruments, e.g., round-table conferences, country programming exercises, national technical co-operation assessments and programming (NATCAPs), through their respective cycles in the countries where activities have been initiated, as advised by the Consultative Committee, the Fund will concentrate increasingly on sharing and exchanging expertise with other multilateral organizations such as the United Nations Industrial Development Organization (UNIDO), The International Fund for Agricultural Development (IFAD), the World Food Programme (WFP), the the United Nations Children's Fund (UNICEF) and the specialized agencies, and regional bodies such as the United Nations Economic and Social Commissions, in accordance with the provision of General Assembly resolution 39/125, to "play an innovative and catalytic role in relation to the United Nations overall system of development co-operation". Secondly, it will intensify its outreach to intergovernmental organizations such as the regional development banks, economic communities, and research/development centres. Thirdly, it will strengthen its co-operation with Governments through ministries of planning, sectoral ministries and national machineries for women and development, and with NGOs through catalytic action in association with both policy and operational levels of their respective organizations and bodies.

#### 5. Programme II: Direct support

15. The second element of the table entitled Programme II: Direct Support encompasses the second priority of the UNIFEM mandate, i.e., to finance innovative and experimental activities in line with national and regional priorities. As already noted, the thrust of UNIFEM in the forthcoming biennium 1988-1989 will be towards sustainability.

16. Special features of UNIFEM support in the forthcoming medium-term include:

(a) Inputs convergence: A select group of countries will be closely monitored in each region, where several UNIFEM inputs converge, often together with those of other agencies, in activities such as round-table exercises and programming, credit support, food cycle technologies, other project support. The objective is to select and focus actions and ensure the measurability of results at the end of the programming cycle;

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(b) Strengthening national institutional capacities to address women and development in their work, with particular reference to national machineries, planning ministries, special units such as those devoted to agricultural extension services in sectoral ministries and to NGOs, including traditional self-help associations, and with attention to augmenting programme and financial management capabilities. As regards national mechanisms such as women's bureaux, capacitation will emphasize institutional infrastructure and technical priorities based on an analysis and recommendations in 1987 by the Fund's Consultative Committee;

(c) Human resources development, through short-term intensive training (3-6 months), apprenticeships with effective projects, and other means, tied to the continuation of service with an NGO or a Government. This will be aimed in particular at project directors, with assistance to be given before the projects are operationalized, and at university students;

(d) Continuation of direct support to projects for the longer-term, within the regional frameworks - AIP and PAMPLAC - and the forthcoming plan for Asia and the Pacific with high-priority areas of support clearly identified, in association with appropriate regional intergovernmental and other institutions. This longer-term assistance has been foreseen by the UNIFEM Consultative Committee at its twenty-second session.

#### 6. Strengthening the administration and management capacities of UNIFEM

17. Actions completed or in process to strengthen the administration and management capacities of UNIFEM to operationalize its proposed workplan for the period 1988-1991 are given below:

18. Personnel actions. In this area, steps taken include:

(a) The establishment of three additional core posts at the P4 level, at headquarters, as recommended by the Governing Council at its thirty-fourth session (1987). This followed the recommendation of the Administrator (DP/1987/55 Vol.II, p.102) as advised by the Consultative Committee that "the capacity of the Fund's secretariat at the current staffing level is already stretched to a point where programme quality risks being compromised. The workload of UNIFEM will be further increased by the expansion of its activities as a result of increased funding resources. In order to function efficiently within its new, more comprehensive mandate, it is absolutely essential that qualified and experienced staff be recruited". The three new posts were classified and advertised and recruitment processes are proceeding. Two general service posts are included;

(b) Considering the established priorities, the Administrator further advised the Council that the core UNIFEM secretariat posts will be supplemented by three technical specialists supported from programme support costs. Since much of the UNIFEM programme is executed by either Governments or NGOs, this represents essential technical back-up to the Fund's staff in priority areas;

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(c) Review and adjustment as necessary of the classified post descriptions with the purpose of augmenting efficiency at programme and office-management level. This review, scheduled early in 1988, will be in harmony with the establishment of new systems for internal communications and information management, in addition to delineating responsibilities in light of the assignment of additional staff;

(d) At the field level, in view of the heavy workloads of UNDP field offices, the Fund is making greater use of national resource persons, junior professional officers (JPOs), paid by their Governments, and United Nations volunteers to take up detailed project monitoring and mainstreaming tasks under the supervision of the staff of the Fund and advisors financed from special project grants. The status of these field officers is in line with those of, for example, WFP, and in accordance with UNDP procedures, as reflected in their post descriptions;

(e) UNIFEM continues to employ qualified consultants, local or international, to assist project design and provide technical advisory services; specialists in credit, training and technologies are among those most frequently in demand.

19. Office accomodation. At headquarters, UNDP has identified appropriate office accomodation.

20. Financial and administrative management. Following the recommendations of the evaluation, the finance unit noted above has been established to enhance the Director's capacity for accountability by strengthening the Fund's financial management system. Thus, while retaining the usage of UNDP central services, UNIFEM is positioned to monitor and control its resource flow more closely. An existing finance post has been reassigned to a staff person with the appropriate management training and experience with computers and a senior UNDP staff member from the Division of Finance serves as a UNIFEM consultant.

21. Other administrative tools, procedures and systems are being adopted in connection with the reallocation of staff responsibilities, to enhance managerial and administrative activities. The integrated administrative system may be expected to incorporate for UNIFEM several subsystems: reporting, office information, reference and the database. It involves the use of computers and associated equipment, and software packages, including those required for project scheduling, costing and financial planning. The data communications facilities include electronic mail and conferencing.

#### 7. Resource management and utilization

22. The present resources management and utilization system of UNIFEM, whereby projects are approved on a full funding basis, is characterized by a low rate of expenditure and high accumulated Fund's balance. Under this full funding system, UNIFEM sets aside the full dollar amount for every project

approved until full disbursement is achieved. No programming is effected beyond resources actually received, i.e., actual unencumbered funds available. Combined with the lead-time required to achieve full disbursements for approved projects and especially for those with more than a year's expected life, this system has created and will most likely maintain or even increase excess Fund balance.

23. Partial funding, on the other hand, enables the reversal of the trend toward excess Fund balance, through the approval of projects valued at an established amount beyond what is immediately available in the bank. By programming contributions anticipated for two years and maintaining an operational reserve at 45 per cent of total outstanding commitments at the year end to cover one full year's project expenditures in the following year, the flow of UNIFEM assistance to recipient countries can increase. The proposed system can also create a sound financial position with management supported by the Fund's own finance unit and by intensive resource programming at the field level to catalyze fund-raising and donor contributions.

24. The Consultative Committee on UNIFEM, at its twenty-first session (March 1987), decided to discuss the question of partial funding at its next session, for which it requested that an analysis be made of the financial management implications for the Fund, recalling also the proposals of the evaluation report to strengthen the Fund's own financial management capacities.

25. In response to this request, the UNIFEM Secretariat prepared, in close collaboration with the UNDP Division of Finance, the paper entitled "Analysis of the financial management implications for UNIFEM of the potential change-over from a full to a partial funding base", which it presented to the Committee at its twenty-second session in September 1987. The paper, amended to reflect the recommendations of the Consultative Committee, is contained in annex II.

26. The Committee noted with satisfaction that the partial funding formula was a consensus between UNIFEM and UNDP, and agreed in principle to recommend that a change-over from a full to a partial funding base be made according to the proposal in the paper. Should the Governing Council approve the change-over at its February 1988 session, the Consultative Committee requested that its implementation be made dependent on the effectuation of necessary changes in the internal management of the UNIFEM Secretariat, in line with the evaluation report recommendations; these changes are the subject of this document. The Committee also requested: (a) that the requisite financial management controls (explained in the paper) be put in place; (b) that detailed annual reports on implementation be submitted to the Committee; and (c) that an evaluation of the impact and control formulae be undertaken after an appropriate interval.

## B. The project cycle

27. As regards refining and systematizing the Fund's project cycle procedures, the Guidelines on the Operational Relationships Between UNIFEM and UNDP, issued in November 1987 provide further details to those set forth in the annex of General Assembly resolution 39/125 on the principles governing UNIFEM and UNDP collaboration in programming and implementation of technical assistance at the country, regional and interregional level. The Fund's Consultative Committee advised on the final content of the Guidelines at its twenty-second session. As a further step towards strengthening project cycle activities, the UNIFEM Project Manual is now available in English, French and Spanish; it is expected to be revised after a period of field testing; at that time the recommendations of the review will be taken into account, including formats. Nonetheless, a simplified format is already available for requesting consultancies, and others are under consideration. In addition, the UNIFEM project management planning and monitoring system is to be included in its overall information systems design (see para. 21. above).

28. Also with the aim of refining project cycle procedures, a paper entitled "Innovative and catalytic projects: Criteria for their selection" was prepared by the UNIFEM Secretariat and reviewed by the Consultative Committee at its twenty-second session. The basic premise of the paper, as accepted by the Committee, was that UNIFEM should continue with its flexible approach to programming and project selection, while making use of a select group of criteria for the choice of catalytic and innovative projects. In this regard, projects should demonstrate:

(a) an element of newness in a given location or with a certain target group;

(b) the potential for providing an opening to mainstream activities;.

(c) a scale of activities that encompasses a large or representative segment of the population;

(d) the potential to influence policy to give necessary consideration to women's conditions and needs;

(e) potential to enhance the organizational and absorptive capacity of women's groups and associations;

(f) potential to enhance the self-reliance of women;

(g) the existence of appropriately oriented leadership and a participatory approach to project design;

(h) dual impact, i.e., the potential to increase productivity while lessening burdens.

29. Guidelines were also prepared for the Fund's assistance to national machineries, based on the advice of the Consultative Committee at its twenty-first session. Definitions and guidelines for needs assessments at the country level and for national socio-economic profiles on women are currently being drafted.

30. The Fund's Project Advisory Committee continues to function as part of its technical project appraisal system before the submission of project proposals to the Consultative Committee. In addition, over the past two years, assistance with programme and project design has been provided increasingly frequently, and participation on interagency and multidisciplinary programming teams by UNIFEM consultants has been augmented, and has, inter alia, contributed to improving the quality of project documents. As regards monitoring, note was made above of the assignment of junior officers for UNIFEM to the country level, with supervision by experienced subregional officers. With the additional headquarters staff, field monitoring will also be facilitated.

### III. UNDP AND UNIFEM RELATIONSHIPS AT HEADQUARTERS AND IN THE FIELD

31. The recently signed Guidelines give some details on co-operation between UNDP and UNIFEM at headquarters and in the field; further details on procedures are being drafted, with particular reference to the field operations. Co-operation between UNIFEM and the Division of Women in Development (WID) is ongoing, through informal meetings at the senior level and through formal sessions, the latter including the WID Director's representation of the Administrator at sessions of the Consultative Committee; joint presentation at training courses for senior economists for the Africa region, ad hoc sessions with regional bureaux and workshops for field staff; and the sharing by UNIFEM of its mainstreaming models cited above. In addition, day-to-day co-operation with UNDP continues through, for example, meetings with area and regional officers and Assistant Administrators of Regional Bureaux; briefings by UNIFEM with the Administrator's policy and operational groups; invitations by UNIFEM for UNDP staff to join debriefings of its technical consultants and other visitors of special interest; co-operation with the Division of Management Information Services (DMIS), the Division for Global and Interregional Projects (DGIP), and other UNDP units.

32. At the field level, experimentation has begun for the cost-sharing with UNDP of advisors for women and development; UNIFEM continues its participation in country programming and round-table exercises and multidisciplinary missions on selective bases; national resource persons are assigned to assist data collection and analysis on economic activities by gender and prepare other data and information for national development planning as well as for round-table conferences. Co-operation at field level continues with the Promotion of the Role of Women in Water and Environmental Sanitation Services (PROWESS), the United Nations Sudano-Sahelian Office (UNSO), and the United Nations Capital Development Fund (UNCDF), among others.

33. UNIFEM is preparing a training module on the Fund itself, for training its own staff, including JPOs and for use by UNDP in its staff training; UNIFEM's Occasional Paper No. 5, entitled "UNIFEM's Mainstream Experience" is also designed as a training tool.

#### IV. CO-OPERATION WITH UNITED NATIONS ORGANIZATIONS, GOVERNMENTS AND NON-GOVERNMENTAL ORGANIZATIONS

34. Outreach to the United Nations system organizations for mainstreaming, noted above (para. 14), has included joint activities with IFAD, UNIDO, the International Labour Organisation (ILO), the International Trade Centre (ITC), the World Bank and UNICEF. UNIFEM also uses the United Nations specialized agencies as its executing agencies and, in this regard, has augmented its association with the United Nations Volunteers. Interagency co-operation is facilitated through the Administrative Committee on Co-ordination (ACC) and its system-wide medium-term plan for women and development for the period 1990-1995.

35. Co-operation with Governments, as a central element of all multilateral development co-operation, is ongoing, and is particularly critical to UNIFEM mainstreaming exercises, where ministries of planning are most often the key contact points. Moreover, national machineries are almost universally governmental offices. Additionally, the Fund is increasing its contacts with sectoral ministries.

36. Recognizing their dependence on self-help initiatives to improve their family situations, women often work in informal or formal non-governmental associations. To reach out to these grassroots organizations is, therefore, to reach low-income women. UNIFEM seeks to assist them to strengthen their capacities to introduce re-forestation, local water supplies, improved technologies, credit systems and the like. One third to one half of the Fund's executing agencies are national NGOs. At international United Nations headquarters, NGOs in consultative status give enlightened and continuing support to the Fund; examples include the UNIFEM NGO Advisory Committee and the NGO Committee for the United Nations Decade for Women among others. Six countries have established national committees on the Fund to support its objectives.

37. The occasion of the tenth anniversary of UNIFEM, observed in accordance with resolution 1987/26 of the Economic and Social Council, offered a special opportunity to make UNIFEM achievements widely known, as recommended by the review mission. Participants from fund-assisted projects in six countries joined the Secretary-General and the President of the General Assembly in honouring participants everywhere. They then visited cities throughout North America and Europe as guests of United Nations Associations, Chapters of ZONTA International (the international association of professional women) and other voluntary groups. There has been wide dissemination of a number of information materials prepared on the occasion of these events and radio and television interviews were frequent. NGOs were particularly supportive of the anniversary, and sponsored many of the events.

38. Consideration of the additional recommendations of the review mission - such as the creation of a reference centre and participation at as many United Nations meetings as possible must await the arrival and orientation of new staff, and the assessment thereafter of time available beyond field activities.



ANNEX I

STEPS TAKEN BY UNDP AND UNIFEM TO ADDRESS THE ADMINISTRATIVE AND OPERATIONAL  
ISSUES RAISED IN THE CONSULTANCY STUDY OF UNIFEM

I. Consultancy recommendations

Report: Executive summary para. numbers and subjects	Actions completed or in progress	DP/1988/4 para. numbers	Other references
<b>2.4 Operations analysis:</b>			
Objectives/policies	Agreed in A/RES/39/125; ongoing from advice of Consultative Committee	Paras. 4-7	Forward-looking assessment Africa Investment Plan PAPLAC Asia/Pacific Plan (forthcoming)
Growth expectations	General resources estimated at 10 per cent exclusive of co-financing per annum	Paras. 12; 22-26	
Action Plans	Consultative Committee reviewing work programme 1988-1991	Paras. 8-16 and operational activi- ties table	
priority analysis of actions	Development of innovative and catalytic criteria	Paras. 13-15; 28; criteria for selec- tion of projects	A/RES/39/125 and annex
geographical areas	Regional frameworks: African Investment Plan (AIP), PAPLAC, Asia/Pacific	Paras. 6(c); 11	A/RES/39/125; Regional plans
Staffing Requirements	Staff: project ratio reduced with additional staff; nine JPOs starting 1988; AIP and PAPLAC field staff assigned	Paras. 18 (a-f); 20	Guidelines on operational relationships between UNIFEM and UNDP
Centralization vs. decentralization	To be considered		

Report:  
 Executive summary  
 para. numbers and subjects

Actions completed  
 or in progress

DP/1988/4  
 para. numbers

Other references

Administrative tools,  
 procedures, and systems  
 needed

Administration  
 Increase to ten staff at  
 headquarters augments  
 management capacities e.g.  
 Deputy Director for  
 Programmes now full-time  
 post  
 UNIFEM staff - professional  
 and General staff joining and  
 assisting UNDP staff training;  
 Consultancies on finance  
 and on administration;  
 Integrated administrative  
 system being established  
 on computer.

Paras.7; 17-26

A/RES/39/125 and annex; 1980  
 Memorandum of understanding  
 Guidelines

Information on UNIFEM and UNDP  
 and United Nations Organizations

Para. 31-33

Guidelines; Occasional papers;  
 Training modules

Fund-raising

Para. 34

Fund-raising strategy to be  
 available  
 Publications list available

Administrative support costs  
 necessary.

Table following  
 para. 13

DP/1987/55 (Vol. II), p. 102

2.5 Project Cycle

While continuing substantive/

Paras. 13; 18a-f;  
 27-30

Guidelines; Regional work  
 programmes;  
 UNIFEM Knowledge Bank

financial reporting twice  
 annually, highest priority  
 given to augmenting field  
 capacity for monitoring and  
 reporting and on missions  
 of headquarters and  
 subregional UNIFEM staff

Report: Executive summary para. numbers and subjects	Actions completed or in progress	DP/1988/4 para. numbers	Other references
Project manual		Para. 27	
Project approval		Paras. 28-30	Guidelines; Manual
2.6 <u>UNIFEM and UNDP at Headquarters</u>	UNIFEM participation at Administrator's bi-weekly senior staff meetings	Paras. 31-33	Guidelines
UNDP Programme Review Committee	UNIFEM not represented on PRC but is developing models for earliest possible interventions at field level with country programmes, round-table meetings, other mainstream instruments.	Paras. 6; 9-10; 14	UNIFEM Occasional paper No. 5
UNDP Project Appraisal Committee	See above; UNIFEM involved at field level at stages before project development		
UNDP Action Committee	UNIFEM invited to make periodic presentations		
UNDP Division of Women's Programmes (WID)	Periodic informal consultations initiated; joint participation in staff training undertaken	Para. 31	Statement of Administrator to Governing Council, June 1987
UNDP Regional Bureaux	Ongoing consultations at all levels, field and headquarters	Para. 31	
2.7 <u>Planning, monitoring and evaluation of projects and programmes</u>	The evaluation commends UNIFEM document formats for attempts to measure aggregate results of development and change rather than simple linear function of inputs		Guidelines UNIFEM Project manual UNIFEM Knowledge Bank: processes and progress reports on impact assessment

Report: Executive summary para. numbers and subjects	Actions completed or in progress	DP/1988/4 para. numbers	Other references
2.8 <u>UNIFEM and UNDP field offices</u>	UNIFEM field testing its documentation (Project Manual); will review evaluation recommendations thereafter in view of harmonization with UNDP formats  Formats for requests	Para. 27	Manual UNIFEM note on appropriate consideration of women (application format for consultancies)
	Placement of UNIFEM subregional staff, national resource persons and JPOs;	Paras. 18a, b, e and f; 31-32	Guidelines Detailed arrangements with field offices for staff placements
2.9 <u>UNIFEM and United Nations organizations</u>	JPOs to be trained by UNIFEM in addition to UNDP training  Training module on UNIFEM for incorporation in UNDP staff training and for UNIFEM consultants  In addition to serving as executing agencies, collaborating with UNIFEM in mainstream initiatives.	Paras. 14, 28, 34	A/RES/39/125 Regional priorities and plans Occasional Paper No. 5 <u>Development Review and other UNIFEM publications</u> Report on technical meeting: ILO

Report:  
Executive summary  
para. numbers and subjects

Actions completed  
or in progress

DP/1988/4  
para. numbers

Other references

2.10 UNIFEM, Governments  
and NGOs

Ongoing interactions with Governments to strengthen programming and planning capacities for women; and with Governments and NGOs as executing agencies

Paras. 16 a-d; 18e;  
29; 35-37

Exhibits at many international meetings and at Headquarters visitors section; Updated lists for literature; Representation at United Nations and NGO meetings; Report of twenty-first session of Consultative Committee (see annex II)

2.11 UNIFEM and consultants

Core group increased and new consultants identified in specialized fields.

Para. 18f

Paper presented to the twenty-second session of the Consultative Committee on the United Nations Development Fund for Women, amended in accordance with the recommendations of the Committee<sup>a/</sup>

ANALYSIS OF THE FINANCIAL MANAGEMENT IMPLICATIONS  
FOR UNIFEM OF THE POTENTIAL CHANGE-OVER  
FROM A FULL TO A PARTIAL FUNDING BASE

Summary

Under full funding, the Fund sets aside in the bank the full dollar amount for every project approved. The money stays in the bank throughout the life of the project until full disbursement is achieved. Partial funding, on the other hand, enables approvals of projects beyond what is actually available in the bank by programming anticipated contributions. It is intended to ensure higher programme delivery to recipient countries and encourage and promote donor contributions.

In introducing partial funding, the Fund has given financial control mechanisms the highest consideration. The Fund reviews project proposals twice each year. Thus, it can exercise firm control over the level of its approval of projects. In addition, it will maintain its operational reserve at 45 per cent to cover one full year's project expenditures. Other financial management control tools will include quarterly reviews of pledges made and pledges received, an updated financial management plan and periodic reviews of all approved but not operational projects.

To enhance the utilization of released resources, a partial funding system will be supported by the Fund's own finance unit and by intensive resource programming efforts which the Fund will put in place by April 1988. In order to manage the increased volume of programming that will be possible with partial funding, UNIFEM will assign experienced senior consultants in the regions, experienced area officers and two technical staff at headquarters, plus subregional experienced officers attached to selected UNDP field offices.

<sup>a/</sup> The changes are reflected in subparagraph 11 (a)

Should there be a sudden fall in voluntary contributions because of a loss of one or more donors and/or should the US dollar appreciate, the Fund has established a control formula whereby it could maintain its project approval at a minimum level during the twice-a-year approval sessions, while simultaneously securing 100 per cent of expected expenditures of ongoing projects in the following year out of its operational reserve. This mechanism is explained fully in the text.

The Fund seeks endorsement of the partial funding policy and its introduction by 1988.

While the main principle as well as rationale for partial funding remain the same as in the earlier document, certain financial terminologies have been changed. As a result, the term "committee recommended approvals" is used for the total funds earmarked for projects which have been recommended by the Consultative Committee, but for which documents are not yet signed by the respective parties. "Unspent allocations" is used for the total of funds allocated to projects but not yet expended. The above two terms together replace "outstanding commitments" in the earlier document. "Fund's balance" at the year-end comprises the outstanding committee recommended approvals, unspent allocations and unencumbered funds. It replaces the term "liquidity". Some adjustments of figures were also made in the document and in appendices I and II.

**Note:** The corrigendum of the document was prepared based on a series of consultations between UNIFEM and the UNDP Division of Finance.

## INTRODUCTION

1. This document has been prepared by the UNIFEM Secretariat in response to the request of the UNIFEM Consultative Committee at its twenty-first session, March 1987. The Committee decided to discuss this question further at its next session, for which it also requested that an analysis be made of the financial management implications for the Fund, also recalling in this context the observation of the Norwegian evaluation report on the general need for an improvement in the financial management services of the Fund, which today are provided by the UNDP. The document also responds to the positive interest expressed by a number of member states of the UNDP Governing Council at its thirty-fourth session (1987) to review a proposal on the subject.

### I. UNIFEM PROJECT CYCLE

2. The background for consideration of a potential change-over from a full to a partial funding system is the project cycle pattern of UNIFEM. The Fund reviews project proposals twice each year, in preparation for final review and recommendation by its intergovernmental Consultative Committee, where the majority of the approvals for the projects are made. Of note is the Fund's custom of making project approvals for a biennium only, with evaluation preceding approval of extension. Prior to the above, the annual United Nations Pledging Conference for Development Activities also provides an early indication of the availability of new resources for the following year.

3. UNIFEM thus has a strong internal system to secure management of its resources, including controlling the level of project approvals in the face of unexpected variations in its financial environment.

### II. RATIONALE FOR PARTIAL FUNDING

4. The present resources utilization system of UNIFEM, whereby projects are approved on a full funding basis, is characterized by a low rate of expenditure and high accumulated Fund's balance. Under full funding, UNIFEM is not allowed to programme beyond resources actually received i.e., actual unencumbered funds in the bank. Combined with the lead-time required to achieve full disbursements for approved projects and especially for those with more than a year's expected life, this system has created and will continue to maintain and potentially increase excess Fund's balance (see appendix 1). Table I below shows this trend in the years 1982 to 1986:

Table 1. Fund's balance at the year end

<u>Year</u>	<u>Millions of US dollars</u>
1982	12.1
1983	11.7
1984	12.5
1985	12.6
1986	12.2



5. To reverse this trend and increase the level of project disbursements that would absorb the accumulated Fund's balance that has resulted from the full funding policy, it is proposed to change from a full funding to a partial funding system in 1988, pending review of the proposal by the UNIFEM Consultative Committee in September 1987, and possibly by the UNDP Governing Council in February 1988. Through the partial funding system, which would rapidly reduce excess Fund's balance, it is expected to increase the flow of UNIFEM assistance to recipient countries and catalyze fund raising and donor contributions by creating a sound financial position. Possible uses of additional resources gained by changing to a partial funding system are: (a) to increase the quantity of projects; (b) to increase the value of projects; and/or (c) to extend the duration of projects.

### III. HISTORICAL TRENDS: UNIFEM FINANCIAL RESOURCES

6. Since its inception, the Fund has operated on a funding system based on a steady increase of income. Table 2 below shows the trend in pledges made, contributions received and related percentages by years from 1982 to 1986.

Table 2. Governmental pledges made, contributions received and related percentages by year  
 (in millions of US dollars)

<u>Year</u>	<u>Pledges made<sup>a/</sup></u>	<u>Contributions received<sup>b/</sup></u>	<u>Cost sharing trust funds</u>	<u>Other<sup>c/</sup> income</u>	<u>Total income</u>	<u>Total income as percentage of pledge income</u>
1982	2.1	2.1	-	1.7	3.8	181
1983	2.2	2.1	-	1.1	3.2	145
1984	3.2	3.3	-	1.2	4.5	141
1985	3.4	3.5	0.1	1.1	4.7	138
1986	3.9	3.6	0.7	1.1	5.4	138
1987	4.1					

7. As can be observed from table 2, since 1982 actual total income receipts have been well over annual pledges made. Annual pledges made have also been almost fully paid in each year. The trend in the years prior to 1982, which for expediency's sake were excluded from table 2, had a similarly increasing pattern. Thus, not only has the Fund operated over the years on a solid and secure financial basis but in monetary terms it was possible to raise its 1986 total income received by over 42 per cent over 1982 receipts.

a/ Pledges made during the year are the amounts announced by Governments at the United Nations Pledging Conference for Development Activities plus some additional pledges announced subsequently.

b/ Voluntary contributions received during the year.

c/ Including interest income and other miscellaneous incomes.

8. Based on the above historical analysis and the diversity of its donors, which are comprised of governmental, non-governmental and individual donors, it is expected that the Fund will continue to enjoy a healthy financial position in the years to come.

9. In regard to the consistency of contributions and pledges in national currency and US dollars, approximately 89 per cent of pledges and contributions has been made in national currency and the other 11 per cent in US dollars in 1986. Historically, 98 per cent of the contributions in national currencies has been paid in convertible currencies. They have been converted and credited to the UNIFEM account in US dollars based on the exchange rates in effect on the dates of receipts. Two per cent of the contributions made, i.e., those in non-convertible currencies, are used to finance approved projects in donor countries, and the UNIFEM US dollar account is correspondingly credited by the equivalent amount in US dollars by UNDP. Since the donor fiscal years do not always coincide with the actual calendar-year payments, approximately 92 per cent of pledges for 1986 was paid in 1986 and the rest was paid in 1987.

10. Under the full funding system, the Fund has carried over cumulative outstanding committee recommended approvals and unspent allocations at the year end to the following year. Approximately 30 to 40 per cent of outstanding committee recommended approvals and unspent allocations at year end has been expended in the following year. Table 3 below shows the trend as well as relations between the outstanding committee recommended approvals and unspent allocations at the year ends and the expenditure during the following years:

Table 3. Outstanding committee recommended approvals (CRA) and unspent allocations at the year end, expenditure during the following year and related ratios

<u>Year end</u>	<u>Outstanding CRA and unspent allocations<sup>a/</sup> (thousands of US dollars)</u>	<u>Year</u>	<u>Expenditure<sup>b/</sup> (thousands of dollars)</u>	<u>Percentage<sup>c/</sup></u>
1982	10.3	1983	3.7	35.9
1983	10.7	1984	3.8	35.5
1984	13.2	1985	4.3	32.6
1985	10.5	1986	4.1	39.0
1986	11.3	1987		

a/ The United Nations accounting system used before mid-1985 differs from that of UNDP. The outstanding committee recommended approvals and unspent allocations at the year end until 1984 represent "Reserve for allocations" and "Balance available at 31 December".

b/ For the same reason: i.e., in regard to the accounting system, expenditures during the period 1985 to 1987 represent only project expenditure inclusive of programme support but exclusive of administrative costs.

c/ Percentages indicate the capability of project delivery.

## IV MEASURES TO BE TAKEN

11. The change-over from full funding to partial funding will result in the release of resources for programming with a corresponding reduction in excess Fund's balance. The released resources will be particularly significant in the initial year of change in the funding system. While it would be overambitious and impractical to say that the released resources will be used totally in the first year of change, or even for that matter in the second year, the idea is to project a gentle slope with an increasing trend in programmable resources. To enhance utilization of released resources, the new funding system will be strongly supported by the strengthening of the UNIFEM finance unit and will be complemented by intensive resources programming efforts, a strengthened operational arm and prudent financial control, preparation for which can be put in place in 1987 as follows:

(a) Programming cycle. Major programming efforts will be expanded through the assignment of the Fund's cadre of experienced senior consultants in Africa, Asia and Latin America. Three experienced area officers and two technical staff are expected to be in newly approved posts by early 1988 at headquarters. They will also participate in planning and programming missions and will provide substantive and technical backstopping of projects in accordance with the national priorities of recipient countries;

(b) Administrative capacity. The time between approval by the Consultative Committee and the signature of a project document and between signature and the authorization to disburse project funds will be significantly reduced through the development and application of appropriate mechanisms in consultation with UNDP. In order to absorb the impact of increased volume of operations and expenditure resulting from major programming efforts mentioned above, necessary administrative support provisions, including more rapid flow of information, communication and correspondence between UNIFEM and other administrative and executive units of UNDP as well as between the staff members of UNIFEM itself will be made. The tools for accountability recommended by the Norwegian report will further strengthen the administrative capacity of the Fund, i.e., the cash flow statement, the statement of source and application of funds and the statement of project budgets and revisions;

(c) Financial features. As stated above, full funding is indeed a conservative fund management policy requiring funds approved for each project to be met by cash reserve in project accounts throughout project duration which, de facto, extends on the average to three years for total project disbursements. Hence, it is characterized by low expenditure rates and excess accumulated Fund's balance. Partial funding, on the other hand, has features of reduced Fund's balance and increased programme delivery/assistance to recipient countries. Tables 4 and 5 demonstrate salient features of both systems (see also appendices I and II for details).

/....

## V. CONTROL FORMULAE

12. Maintenance of the financial integrity of the Fund is top priority. Under partial funding, some control formulae and ceilings will be established in addition to the financial controls exercised under the full funding system. These include:

(a) For a possible gain or loss of contributions, the United Nations Pledging Conference for Development Activities each year forecasts the level of available resources for the Fund's activities in the following year. Moreover, the approval of projects at the Consultative Committee twice a year controls the level of approvals;

(b) The operational reserve is set aside at 45 per cent of outstanding committee recommended approvals and unspent allocations at the year end in order to cover a full expenditure expected in the following year. The 45 per cent figure is based on project expenditure trends for the last five years, as illustrated in table 3, which also shows that approximately 30 to 40 per cent of outstanding committee recommended approvals and unspent allocations at each year-end had been expended during the subsequent year. Considering the growth of the Fund's capacity of project delivery, the operational reserve will be set at the safer level of 45 per cent. This trend is actually consistent with the UNIFEM project funding cycle, which currently comprises a maximum of project duration of two years. Therefore, if UNIFEM starts multiple-year funding for projects of more than two years' duration, this percentage will most likely be decreased;

(c) For the application of the operational reserve at the beginning of 1988, the Fund will carefully control the ceiling of total outstanding committee recommended approvals and unspent allocations at the end of the same year. The first operational reserve at 45 per cent of that ceiling is to be set aside to cover the expected expenditure for the following year, 1989. The operational reserve at any given year will fluctuate, depending on the total outstanding committee recommended approvals and unspent allocations at the previous year-end;

(d) The level of the total outstanding committee recommended approvals and unspent allocations at any given year does not exceed the available resources exclusive of the operational reserve, plus two years' contributions calculated on the basis of the figures of the previous year. The annual growth rate in contributions is estimated at 10 to 15 per cent; when approved/allocated resource levels are determined, however, twice the contributions of the previous year is used. The Fund will continue to control the level of outstanding committee recommended approvals and unspent allocations at the year-end by setting the maximum value of project approvals during the year;

(e) The income from cost-sharing and sub-trust funds is excluded from this partial funding formula since it is comprised of earmarked contributions to specific projects. Such income is estimated at \$0.7, 1.6, 2.0, 2.6, 3.3

and 4.1 millions respectively for the years 1986-1991. The annual growth rate of cost-sharing and sub-trust funds is projected at a relatively high 30 to 50 per cent since the Fund has enormous potential in resources mobilization under this area;

(f) Quarterly reviews of cash flows, unpaid pledges and investment portfolio and internal management reports will be intensified;

(g) A financial management plan will be developed and updated every quarter;

(h) The periodic review of all approved but not operational projects, the mandatory revision of ongoing projects and quarterly financial reports, including projections on operational projects, will be intensified.

#### VI. EXPECTED RESULTS

13. Partial funding has been successfully implemented by UNCDF and has resulted in a positive impact in programme delivery, the number of countries covered, a reduction of the Fund's balance, and increased pledges. The proposed partial funding for UNIFEM has a similar expected impact and is based on a relatively more conservative financial control formula and ceiling. For example, the UNCDF operational reserve was expressed at 20 per cent, that of UNIFEM at 45 per cent; the total outstanding UNCDF commitment level was based on a net balance of resources inclusive of operational reserve plus anticipated contributions for the two years prior to 1985, while that of UNIFEM is based on the net Fund's balance exclusive of operational reserve plus expected contributions for two years.

Table 4. Comparative analysis of UNIFEM balance of resources at year-end  
 (in millions of US dollars)

<u>Year</u>	<u>Full funding</u>	<u>Partial funding<sup>a/</sup></u>
1986	12.2	12.2
1987	11.8	11.8
1988	11.1	4.8
1989	11.4	3.6
1990	12.5	2.8
1991	14.3	2.4

14. As can be observed from table 4, by the end of 1991, under the full funding system, the year-end Fund's balance will increase by 17 per cent of the 1986 figure to \$14.3 million. If partial funding is instituted, however, the Fund's balance at 1991 year-end, excluding operational reserve, will drop significantly to \$2.4 million, i.e., by 80 per cent compared to the 1986 figure.

<sup>a/</sup> Figures are exclusive of operational reserve, calculated at 45 per cent of outstanding commitments.

Page 9 Table 5. Comparative analysis of total expected contributions, values of approved projects and project expenditures from 1988-1991  
(in millions of US dollars)

	<u>Full funding</u>	<u>Partial funding</u>
Contributions	27.5	27.5
Approved projects	23.5	30.3
Project expenditures	20.9	25.0

15. For comparison purposes, the same projected income level is used for both full and partial funding. As can be seen from table 5 above, under partial funding there would be considerable increases of \$6.8 million (comprising 29 per cent of the value of approved projects) and of \$4.1 million (representing 20 per cent of the project expenditures).

16. Even in the worst possible case of sudden decreases in voluntary contributions because of a loss of major donors and/or a change in the value of the dollar, partial funding can be safely managed by the established control formula by maintaining project approval at a minimum level while fully securing 100 per cent of expected expenditure of the ongoing projects in the following year with the operational reserve.

#### VII. CONCLUSIONS AND RECOMMENDATIONS

17. Partial funding intensifies and increases programme delivery capacity to recipient countries, promotes the effectiveness of utilization of resources and enhances the potential for fund-raising and thus the level of voluntary contributions.

18. The projected financial position of the Fund under the two scenarios by the end of 1991 is shown in table 6.

Table 6. Projected financial position (year-end 1991)

	<u>Full funding</u>	<u>Partial funding</u>
Net Fund's balance	14.3	2.4
Operational reserve	—	7.6
	14.3	10.0
Total outstanding committee recommended approvals and unspent allocations	14.3	17.1
Excess in outstanding committee recommended approvals and unspent allocations over Fund's balance	0.0	7.1 <sup>a/</sup>

<sup>a/</sup> The excess in outstanding committee recommended approvals and unspent allocations over the Fund's balance of \$7.1 million would be covered from the contributions received plus interest earned in 1992. It should be noted that for the purpose of financial control the Fund brings contributions into account only when they are actually received, i.e., it is not on an accrual basis.

19. It is recommended that partial funding policy be introduced beginning in 1988, with the understanding that the requisite planned financial management controls are installed as planned in 1987 and maintained at all times and that the Fund submit a detailed report on its implementation to be considered at the 1991 spring session of the Consultative Committee.

Appendix I

RESOURCE PLANNING TABLE FOR UNIFEM (1987-1991) UNDER FULL FUNDING  
(in millions of US dollars)

	Actual	Estimated	Projected			
	1986	1987	1988	1989	1990	1991
<u>Fund's balance from previous years</u>						
Total financial resources (A)	12.6	12.2	11.8	11.1	11.4	12.5
	----	----	----	----	----	----
<u>Resources made available during the year</u>						
Voluntary contributions received <sup>a/</sup>	3.6	4.8 <sup>b/</sup>	5.5	6.3	7.3	8.4
Interest and other income	1.1	0.9	0.8	0.7	0.8	0.9
Total made available during the year (B)	4.7	5.7	6.3	7.0	8.1	9.3
	----	----	----	----	----	----
<u>Utilization of resources during the year</u>						
Project expenditure	4.3	4.6	4.7	4.5	4.6	5.0
Reimbursement of programme support costs	0.2	0.5	0.6	0.5	0.5	0.6
Adjustment for prior years	(0.4)	-	-	-	-	-
Administrative services costs	1.0	1.0	1.7	1.7	1.9	1.9
Total use of resources (C)	5.1	6.1	7.0	6.7	7.0	7.5
	----	----	----	----	----	----
<u>Total Fund's balance at year-end</u> (A+B-C)	12.2	11.8	11.1	11.4	12.5	14.3
	----	----	----	----	----	----
<u>Outstanding committee recommended approvals and unspent allocations</u>						
from previous years	10.5	11.3	11.8	11.1	11.4	12.5
Add: Approved projects during the year	4.9	5.6	4.6	5.3	6.2	7.4
Deduct: Project expenditures during the year	4.1	5.1	5.3	5.0	5.1	5.6
Outstanding committee recommended approvals and unspent allocations at year-end	11.3	11.8	11.1	11.4	12.5	14.3
	----	----	----	----	----	----
Maximum level	12.2	11.8	11.1	11.4	12.5	14.3
Over-programming	(0.9)	0.0	0.0	0.0	0.0	0.0

a/ Excluding income from cost-sharing and sub-trust funds estimated at \$ 0.7, 1.6, 2.0, 2.6, 3.3, 4.1 millions respectively for the years 1986-1991.

b/ Includes \$4.1 million pledged for 1987 and US\$0.7 million from other donors which have not made pledges.



## Appendix II

RESOURCE PLANNING TABLE FOR UNIFEM (1987-1991) UNDER PARTIAL FUNDING  
(in millions of US dollars)

	Actual	Estimated	Projected			
	1986	1987	1988	1989	1990	1991
<u>Fund's balance from previous years</u>						
Resources from previous year	12.6	12.2	11.8	11.1	10.1	9.7
Deduct: Operational reserves <sup>a/</sup>	-	-	-	6.3	6.5	6.9
Total financial resources (A)	12.6	12.2	11.8	4.8	3.6	2.8
	====	====	====	====	====	====
<u>Resource made available during the year</u>						
Voluntary contributions received <sup>b/</sup>	3.6	4.8 <sup>c/</sup>	5.5	6.3	7.3	8.4
Interest and other income	1.1	0.9	0.8	0.7	0.7	0.7
Decrease in operational reserve	-	-	-	-	-	-
Total made available during the year (B)	4.7	5.7	6.3	7.0	8.0	9.1
	====	====	====	====	====	====
<u>Utilization of resources during the year</u>						
Project expenditure	4.3	4.6	4.7	5.6	5.8	6.2
Reimbursement of programme support costs	0.2	0.5	0.6	0.7	0.7	0.7
Adjustment for prior years	(0.4)	-	-	-	-	-
Administrative services costs	1.0	1.0	1.7	1.7	1.9	1.9
Total programme expenditure	5.1	6.1	7.0	8.0	8.4	8.8
Increase in operational reserve	-	-	6.3	0.2	0.4	0.7
Total use of resources (C)	5.1	6.1	13.3	8.2	8.8	9.5
	====	====	====	====	====	====
<u>Total Fund's balance at year-end</u>						
(A+B-C)	12.2	11.8	4.8	3.6	2.8	2.4
	====	====	====	====	====	====
<u>Movement in operational reserve</u>						
Reserve from previous year	-	-	-	6.3	6.5	6.9
Change in reserve during the year	-	-	6.3	0.2	0.4	0.7
Reserve level at year-end	-	-	6.3	6.5	6.9	7.6
	====	====	====	====	====	====
<u>Outstanding committee recommended approvals and unspent<sup>d/</sup></u>						
allocations from previous years	10.5	11.3	11.8	14.0	14.6	15.4
Add: Approved projects during the year	4.9	5.6	7.5	6.9	7.3	8.6
Deduct: Project expenditures during the year	4.1	5.1	5.3	6.3	6.5	6.9
Outstanding committee recommended approvals and unspent allocations at year-end	11.3	11.8	14.0	14.6	15.4	17.1
	====	====	====	====	====	====
Maximum level			14.0 <sup>e/</sup>	14.6	15.4	17.1
Over-programming			9.2	11.0	12.6	14.6

a/ Operational reserve is expressed at 45% of maximum ceiling of outstanding project CRA and unspent allocation at the end of the previous year.

b/ Excluding income from cost-sharing and sub-trust funds estimated at \$ 0.7, 1.6, 2.0, 2.6, 3.3, 4.1 millions respectively for the years 1986-1991.

c/ Includes \$4.1 million pledged for 1987 and \$0.7 million from other donors who have not made pledges.

d/ The approved/allocated resources level does not exceed the available resources (exclusive of the operational reserve) plus twice the value of the contributions of the previous year.

e/ Projected maximum level.

