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OTHER MATTERS

Revised delegation of approval authority

Note by the Administrator

1. In 1977, Resident Representatives were given the authority to approve projects up to a cost of \$400,000. It was felt that that amount would give sufficient flexibility to the field offices while still ensuring the accountability of the Administrator.
2. There have been repeated requests over the past three years to raise the level of delegated authority; among other things, the effects of inflation were cited. A project which cost \$400,000 in 1977, for example, would require a budget of approximately \$700,000 today.
3. The issue of raising the level of delegated project approval has been considered by UNDP in the light of a comprehensive package of reform measures currently nearing completion. The package will enhance UNDP programme and project quality. It is in this context that the Administrator has increased the authority of Resident Representatives to approve projects. Effective 1 March 1988, Resident Representatives will be able to approve projects up to a cost of \$700,000, subject to certain conditions indicated below.
4. The package of improvements has many elements, some of which are:
  - (a) The introduction of a greatly improved project formulation process. This will include a better project document format, which is being introduced in February 1988. The new procedures will include a project formulation framework, which will require mandatory analyses prior to the formulation of the project document. There will also be a mandatory project appraisal checklist. Through

this revised process, the Resident Representative will also be more directly accountable for project quality;

(b) The introduction of several major improvements to country programme management plans which will be operational by April 1988. The aim is to provide more detailed advance information on pipeline projects to headquarters. The plans enable the Bureaux to decide at an early stage whether any project, irrespective of cost, should be submitted to headquarters for review;

(c) A new Policies and Procedures Manual, to be issued in February 1988, which will provide an up-to-date comprehensive overview of instructions, guidelines and policies. It will cover all aspects of the project cycle, including those which affect project quality.

5. These recent initiatives are only a part of ongoing quality control measures. It is, of course, equally essential to maintain the high quality of UNDP field staff. This matter has been given the highest priority and personal attention of the Administrator. For example, the UNDP training programme for field staff is being expanded and better information systems are being provided.

6. Also of major importance are the revised comprehensive procedures for project monitoring, evaluation and reporting. These procedures came into effect last year. Notwithstanding the increase in the level of delegated authority, tripartite reviews remain mandatory for all projects of \$400,000 and above. In addition, the establishment of a Project Development Facility has proven to be of great assistance to Resident Representatives in project design. Likewise, new procedures are in place for the annual review of country programmes and measures have been taken jointly with agencies to improve the quality of active technical support.

7. A central Programme Review Committee has been established to review country programmes. Members of the Governing Council have been able to judge the improvements in the country programme documents presented to the Council since 1987.

8. Furthermore, the Action Committee has a direct impact on the quality of all projects. The review by the Action Committee has the added benefit of identifying common aspects of projects which require either modifications or additions to existing policies and procedures. This review is not an isolated event. It follows a thorough review of the project by the project appraisal committees established by all Bureaux. In addition, an increasing number of field offices now have their own project appraisal committee.

9. As a means of providing easy access to narrative and qualitative information on projects, a conceptual framework for Project and Programme Management System is currently being developed. This could become a major information and management tool both for the field and at headquarters.

10. The revised arrangements represent a more balanced approach to ensure that every country will have projects reviewed by the Action Committee on an annual basis. Two important points should be noted:

(a) In future, a Resident Representative must submit each year to headquarters at least one project scheduled for approval during that year. If there are no projects with a total UNDP budget of \$700,000 or more, then the Regional bureau will select a project of less than \$700,000 for review and approval by headquarters;

(b) In addition, any project of which the total UNDP-financed budget amounts to more than 15 per cent of the total IPF administered by the Resident Representative concerned must be submitted to headquarters for review and approval.

11. These procedures have been established to ensure that headquarters will have an opportunity to be directly involved in the review of projects in all recipient countries, not only those with large IPFs. The anticipated net result of the revised arrangements is that the number of projects to be approved by headquarters will decrease from 35 per cent to 29 per cent. The total value of projects to be approved at headquarters will decrease by about 9 per cent, that is, from 81 per cent to 72 per cent of the total value of projects to be approved at headquarters. As in the past, UNDP headquarters will continue to review for approval any project below \$700,000 which is critically important, reflects unorthodox approaches or is considered complex or unusually sensitive.

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