

UNITED NATIONS DEVELOPMENT PROGRAMME



Distr.
GENERAL

DP/WGOC/18
18 January 1978

ORIGINAL: ENGLISH

GOVERNING COUNCIL
INTERGOVERNMENTAL WORKING GROUP ON OVERHEAD COSTS
First meeting
January 1978

Note by the Chairman

Attached, for the information and record of members of the Working Group, is the consolidated text of the decisions reflected in my summation and adopted by the Working Group at its 4th meeting on 17 January 1978.

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Text of decision of the intergovernmental Working Group
on Overhead Costs

The intergovernmental Working Group on Overhead Costs,

Having noted with appreciation the documents submitted to it at its January 1978 session,

1. Broadly endorses the criteria for the definition of overheads (support costs) outlined by the Joint Inspection Unit (JIU) in paragraphs 7-11 of its Note (DP/WGOC/1);

2. Requests the Administrator of UNDP and the Executive Heads of the Agencies, through the Administrator, to make available to the JIU and to the Working Group their further comments on the JIU Note contained in document DP/WGOC/1;

3. Requests the Executive Heads of the Agencies to submit to the Working Group the following additional information:

(a) A statement from each Agency briefly describing the organizational and other arrangements in the Agency to provide support to (i) UNDP-financed programmes and projects and (ii) other technical co-operation programmes and projects;

(b) A statement from each Agency on the measures taken in the Agency to reduce support costs;

(c) A statement from each Agency on the measures taken to decentralize responsibility and authority to the regional and country level and indicating the impact of those measures on support functions and costs;

(d) A statement from each Agency briefly describing (i) the budgetary treatment of overhead payments received from UNDP and from other extrabudgetary sources, and (ii) the arrangements for, and extent of, intergovernmental review of the utilization of such overhead payments;

(e) A statement from each Agency, where applicable, showing to what extent, how and where its regular budget provides for subsidies towards meeting attributed overhead costs;

4. Requests the Administrator to submit the following additional information:

(a) A breakdown of numbers of projects by Executing Agency and size of project (size of UNDP allocation, in four or five size categories) for the years 1972-1976;

(b) A breakdown of project costs by Executing Agency and component for the years 1972-1976;

5. Requests the JIU to submit a further and expanded preliminary note elaborating its outline of a new system for support costs as contained in DP/WGOC/1, including the completion of the percentage figures and the special formulae to be incorporated in the table at the end of that document, taking account also of economies of scale and nature (including size) of projects; the note should also explain the factors which account for variations in average overhead costs in different Agencies, including the impact of exchange rates and cost of living factors; requests the Administrator and the Executive Heads of the Agencies to submit to the Working Group their comments on this JIU Note;

6. Further requests the JIU to make available to Governments, members of the Working Group, copies of its forthcoming report on "The Role of Experts in Development Co-operation" as soon as it is issued; requests the Administrator and the Executive Heads of the Agencies to make available to the Working Group their comments on the above-mentioned report which they will be submitting to the Governing Council;

7. Requests the Advisory Committee on Administrative and Budgetary Questions to submit any further comments it may have on the general question and also on the proposals contained in the expanded preliminary Note of the JIU mentioned in paragraph 5 above;

8. Looks forward to receiving the information requested in the foregoing paragraphs in time for consideration at the Working Group's next session beginning 5 June 1978.

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