



**Executive Board
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Development Programme
and of the
United Nations
Population Fund**

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Addendum

UNFPA SEGMENT

Chapter III. REPORT OF THE EXECUTIVE DIRECTOR AND PROGRAMME-
LEVEL ACTIVITIES

B. Work plan and financial implementation

1. The Deputy Executive Director (Policy and Administration) introduced the Work plan for 1997-2000 and request for programme expenditure authority (DP/FPA/1996/18 and Corr.1) and the Status of financial implementation of country programmes and projects approved by the Governing Council and the Executive Board (DP/FPA/1996/19). He briefly reviewed the financial performance of UNFPA in 1995, emphasizing the reduction in carry-forwards from \$33 million at the end of 1994 to \$24.5 million at the end of 1995. In developing the proposed work plan 1997-2000, UNFPA had used a conservative estimate for 1996 income of \$300 million and an annual increase in income of 8 per cent, leading to a total income for the work plan period of almost \$1.5 billion, only slightly higher than the estimates in the 1996-1999 work plan, which had been presented at the 1995 annual session. With respect to the implementation of country programmes approved by the Governing Council and the Executive Board in past years, he stressed that UNFPA had essentially made resources available as planned.

2. In reviewing the performance of the Fund in 1995, several delegations voiced concern that in 1995 only 70 per cent of country resources had been allocated to priority countries and that allocations to reproductive health

had decreased proportionately. Some delegations also raised questions on the reduction in the relative share of resources allocated to country activities in Asia. A number of delegations commended UNFPA for the decrease in the proportion of administrative expenditures in 1995.

3. With regard to the proposed work plan for 1997-2000, delegations generally expressed support for the financial planning figures although the projected income reduction in 1996 was of concern. One delegation requested that financial data for the current year be included in the future in order to facilitate an assessment of the calculations undertaken by UNFPA. Most delegations commented on the rate of annual income increase, estimated in the work plan at 8 per cent. In spite of the increase from 1994 to 1995, which had amounted to 19 per cent, a few delegations found the figure overly optimistic and requested additional information on UNFPA's strategy for mobilizing the necessary resources. One suggestion was made for UNFPA to simplify the procedures for multi-bilateral funding as a way of increasing the Fund's programme resources.

4. Delegations welcomed the efforts of UNFPA to implement the new resource allocation approach in a flexible and phased manner, but some found the increases foreseen for Africa to be inadequate. One delegation sought assurances that despite the proportionate reduction in resources for Group B and C countries, assistance would increase in absolute terms. With regard to carry-forwards, some delegations suggested that measures should be taken to increase absorptive capacity in recipient countries in order to ensure that available resources were fully utilized.

5. Commenting on the format of the work plan, several delegations noted that it seemed to be mainly a financial plan showing general intentions of the use of estimated resources and did not integrate the Fund's strategic objectives into its resource planning process. They suggested that the work plan in future should contain substantive data, notably the intended resource use by programme area. A similar concern was expressed regarding the absence of more analytical information in the document on the status of financial implementation of country programmes, since that would help to clarify the resource utilization rates of the various programmes.

6. The Deputy Executive Director (Policy and Administration) responded to the concerns of the Executive Board regarding the performance of UNFPA in 1995 by referring to the new approach to resource allocation that was replacing the old system of priority countries and to the fact that the slight reduction in allocations to reproductive health had been offset by increases in the closely related areas of information, education and communication. He also emphasized that the resources allocated for the priority countries and for the reproductive health programme area had increased in absolute terms. With respect to the format of the work plan, he explained that it had been developed as a financial planning document at the request of the Governing Council. However, while resource allocation by programme area depended largely on the composition of individual country programmes, the incorporation of programme strategy objectives into future work plans would be reviewed.

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7. With regard to the estimated rate of annual income increase, the Deputy Executive Director (Policy and Administration) informed delegations that the estimate was based upon indications from donor countries and increases in the past, which had averaged 9.2 per cent over the last ten years. He stressed that since the work plan was a rolling plan the income estimate would be adjusted annually in accordance with actual contributions received. In response to questions about the carry-forwards, he pointed out some of the measures taken by UNFPA to reduce such amounts, including the provision of training and the recruitment of national project personnel to increase absorptive capacities in programme countries. He assured delegations that the forecast of an average of 60 per cent of country resources for countries in Group A was a conservative one that would most likely be surpassed and that targets set by the Executive Board in decision 96/15 might well be reached by the year 2000, possibly even earlier.

8. The Executive Board took note of the status of financial implementation of country programmes and projects approved by the Governing Council and the Executive Board as contained in document DP/FPA/1996/19.

9. The Executive Board adopted the following decision:

96/26. Work plan of the United Nations Population Fund for 1997-2001 and programme expenditure authority

The Executive Board

1. Endorses the programme resource planning proposals of the Executive Director set out in paragraphs 7 to 18 in document DP/FPA/1996/18;

2. Approves the request for the 1997 programme expenditure authority at a level equal to new programmable resources for 1997, currently estimated at \$257 million;

3. Endorses the use of the following estimates of new programmable resources from regular resources for the 1998-2000 period; \$279 million for 1998; \$305 million for 1999; and \$334 million for 2000;

4. Also endorses the use of the following estimates of new programmable resources from multi-bilateral funding: \$15 million per year for the years 1997-2000.

8 May 1996
