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JOINT INSPECTION UNIT

TENTH REPORT ON THE ACTIVITIES OF THE
JOINT INSPECTION UNIT

JULY 1977-JUNE 1978

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INTRODUCTION

1. This report, the tenth prepared by the Joint Inspection Unit (JIU) since its creation on 1 January 1968, gives an account of the Unit's activities and a summary of the reports and notes it has issued during the period 1 July 1977 to 30 June 1978.

2. The previous reports were distributed by the Secretary-General as documents: A/C.5/1241; A/C.5/1304; A/C.5/1368; A/C.5/1433; A/C.5/1515; A/C.5/1598; A/C.5/1676; A/C.5/31/1 and A/C.5/32/6.

A. COMPOSITION OF THE UNIT

3. During the period 1 July 1977 to 31 December 1977, the composition of the Unit was as follows:

Joseph A. Sawe (Tanzania) Chairman
Alexander S. Bryntsev (USSR) Vice-Chairman
Maurice Bertrand (France)
Enrique Ferrer-Vieyra (Argentina)
Sreten Ilić (Yugoslavia)
Chandra S. Jha (India)
Cecil E. King (UK)
Earl D. Sohm (USA)

4. At its thirty-second session, the General Assembly, in accordance with Article 3 of the new Statute of JIU ^{1/}, appointed the following eleven (instead of eight previously) Inspectors for terms beginning 1 January 1978 (decision 32/317):

(a) For a full five-year term:

Mark E. Allen (United Kingdom of Great Britain and Northern Ireland)
Alexander S. Bryntsev* (Union of Soviet Socialist Republics)
Sharif Padmadisastra (Indonesia)
Julio C.A.R. Rodriguez-Arias (Argentina)
Joseph A. Sawe* (United Republic of Tanzania)
Zakaria Sibahi (Syria)

(b) For a three-year term:

Isaac Newton Kofi Afiase (Ghana)
Maurice Bertrand* (France)
Alfred Nathaniel Forde (Barbados)
Sreten Ilić* (Yugoslavia)
Earl D. Sohm* (United States of America)

^{1/} See General Assembly resolution 31/192 or document A/C.5/32/6

* Reappointed

5. In accordance with Article 18 of its Statute, the Unit elected Mr. Alexander S. Bryntsev as Chairman and Mr. Alfred N. Forde as Vice-Chairman for the calendar year ending on 31 December 1978.

B. SECRETARIAT

6. During the period 1 July 1977 to 31 December 1977, a Secretariat composed of an Executive Secretary, four Professional Assistants and seven General Service staff assisted the Inspectors. Since January 1978, the manning-table of the Secretariat has been composed of an Executive Secretary, six Professional Assistants and eleven General Service staff.

7. It should be noted, however, that although all new Inspectors had taken up their duties by February 1978, the work of the Unit was handicapped by considerable delays in the recruitment of staff.

C. WORK PROGRAMME

8. In accordance with Article 9 of the Unit's Statute, the work programme for 1978 was drawn up by the Unit after internal discussions in which all Inspectors participated. Details of the work programme were circulated by the Secretary-General of the United Nations.

9. In preparing the programme of work, the Inspectors took account, to the extent possible, of suggestions of participating organizations.

D. CONSULTATIONS

10. As in previous years, the Unit had consultations with ACABQ during its Spring session in Geneva in May 1978.

11. At a meeting in Geneva in May 1978 the Chairman and Vice Chairman of JIU discussed with the Chairman of the International Civil Service Commission matters of mutual concern including reports of JIU which would be considered by the Commission and the current work programmes of the Commission and JIU.

E. JIU REPORTS AND NOTES

12. From 1 July 1977 to 30 June 1978, the Unit issued six reports and three notes which are summarized below. In addition, JIU began work on other reports and notes.

(a) Report on the Implications of Additional Languages in the United Nations System (JIU/REP/77/5, dated July 1977)

13. The data analyzed in the report show that the language services require a great number of personnel and account for very high costs. The number of posts of established language staff in the United Nations and ten specialized Agencies amounted to 3,386 in 1976. Temporary language staff was estimated at 184,267 man/days in the same year and the total costing of both permanent and temporary language staff was more than US\$ 105 million.

14. In addition to expenditure which can be directly attributed to them, language services account for a significant proportion of the general overhead costs of the organizations of the United Nations system, such as the cost of management, administrative support and other common services (premises, furniture and equipment, printing and distribution of documents, etc.). One of the larger agencies estimates that the indirect costs of its meeting services total approximately 19 per cent of the direct costs.

15. The main recommendations of the report can be summarized as follows:

(a) Language services in the United Nations system should be provided on a flexible basis and only to the extent that they are indispensable for the proper functioning of deliberative organs.

(b) Expenditure on language services should be kept down to the lowest level compatible with the needs and interests of Member States. Translation services offer greater scope for economy than interpretation services.

(c) Additions to existing or planned language services should be avoided as far as possible.

(d) If, nevertheless, any addition or expansion is considered necessary, it should be based on the principle of selectivity, i.e. interpretation should be provided only for specified meetings and only specified documents should be translated into specified languages.

(e) Member States requesting new or expanded language services should consider paying or contributing to their cost, as is the case in ITU and UPU.

(f) In the United Nations, important questions relating to the provision of language services in connexion with meetings should be referred to the Committee on Conferences.

(g) A study should be undertaken with a view to determining whether the permanent language staff at United Nations Headquarters, both in New York and Geneva, as well as in other UN organizations should be increased in order to reduce dependence on temporary staff. This should include possible ways of making language services more attractive from a career point of view.

(h) Possible economies in the methods of work of the translation services should be kept under continual review.

(i) Long-term possibilities of providing common language services on an inter-agency basis should be considered by the appropriate bodies.

In this connexion, consideration should be given to replacing present arrangements for inter-agency co-operation and co-ordination in regard to language services by more permanent machinery.

(j) Meanwhile, the more immediate possibilities of inter-agency co-operation should be considered in regard to Arabic and Chinese language staff.

(k) Consideration should be given by interested Governments to the setting up, on a national or regional basis, of training centres for language staff.

(l) The possibilities of extending existing arrangements for the printing and translation of publications by Governments should be considered.

(m) The potentialities of technical developments and especially of the facsimile transmission, by cable or radio, of documents for translation at a central point, should continue to be investigated.

16. In addition to the United Nations, this report covers the following organizations in the United Nations system: FAO, IAEA, ICAO, ILO, IMCO, ITU, UNESCO, UPU, WHO and WMO.

17. This report was sent on 18 August 1977 to the Secretary-General of the United Nations and to the executive heads of the organizations concerned. On 11 October 1977, it was transmitted to the thirty-second session of the General Assembly (document A/32/237).

(b) Report on Some Aspects of Backstopping of Technical Co-operation Activities in the United Nations System (JIU/REP/77/6, dated October 1977)

18. This report was prepared on the initiative of the Joint Inspection Unit as a result of observations made in the course of previous inspections of specific projects in the field. The Inspectors had come across numerous problems in relations between field projects and the Headquarters of executing agencies which had adversely affected efficiency and prevented the optimum

use of funds. They decided upon a comprehensive study to identify the relative importance of various problems and to seek solutions and, in doing so, to ascertain the precise nature of backstopping of technical co-operation programmes and assess the various components thereof from the point of view of efficiency and economy.

19. The report deals mainly with UNDP-assisted programmes and projects. Nevertheless, many observations and suggestions made in the report are also applicable to technical co-operation programmes financed from other sources. It has not gone into the question of innovative methods of technical co-operation likely to come into force in the future, as this is the subject of a special report by JIU requested by the UNDP Governing Council on "The Rôle of Experts in Development Co-operation" (JIU/REP/78/3) summarized in Section E(f). The Inspectors believe, however, that for some considerable time the traditional methods of backstopping will co-exist with any new methods and concepts that may be introduced.

20. In the introduction, the Inspectors state the report was prepared after comprehensive investigations in many countries in Asia, Africa and Latin America and after close consultations with the United Nations Agencies involved in field activities, and discussions with large numbers of experts, chief technical advisers, UNDP Resident Representatives and senior government officials.

21. The Inspectors define the word "backstopping" as an omnibus expression to describe the complex of actions required to be taken to provide administrative and technical support to United Nations system-assisted technical co-operation programmes in developing countries. They also point out that it has been emphasized time and again by executive heads and governing and legislative bodies that backstopping at the country level is the most crucial activity on which depends the effectiveness of the support given by the United Nations system to a project and the successful implementation of a project. The Inspectors are taking pains to define the rôle of the United Nations system in technical co-operation activities, namely to provide such backstopping and support in areas in which governments need assistance, as they may request in the execution of the programmes and projects. They stress that backstopping begins with the formulation of the country programme but does not end with the completion of the project, nor with the technical and terminal report.

22. Next, the Inspectors describe briefly the current practices of backstopping by the various United Nations Agencies at the four main stages - programme planning, project formulation, project execution and project evaluation. Each stage calls for specific tasks to be done.

23. After describing current practices in backstopping, the Inspectors present a sample study of field experience in backstopping which involved twenty projects selected from six countries in Africa. The primary purpose of the sample study was to give substance to the observations made by the Inspectors in all the projects they inspected in the developing countries. It also served as an illustration of the methods employed in their investigations in the field. The main issues raised in the sample study, together with the Inspectors' observations on other projects reviewed in Africa, Asia and Latin America, form the basis for a general analysis of current practices.

24. The Inspectors make a detailed and comprehensive analysis of current methods and practices of backstopping technical co-operation activities by different United Nations Agencies. They discuss problems encountered at each stage of project implementation. These include weaknesses in project document preparation, approval, delays in the delivery of UNDP inputs, delays in recruitment of experts and delivery of equipment. The need for adequate briefing of project personnel is discussed and also the need to decentralize authority to the field officers.

25. The conclusions reached lead to the following main recommendations for more effective backstopping of technical co-operation activities:

A. Pre-project Backstopping. The project document should be carefully prepared, detailed and realistic both for the objectives and delivery of UNDP and Government inputs. It should contain built-in provisions for review and evaluation of the project during the execution and for post-project evaluation and follow-up. Steps should be taken well in advance for recruitment of international and national staff, procurement of equipment and selection of fellows.

B. In-project Backstopping. Rosters of candidates for recruitment of international staff should be realistic and should be revised from time to time. Special efforts should be made for the selection of candidates from developing countries. There should be further decentralization to the field officials of authority for the local purchase of equipment and spare parts. Greater efforts should be made to explore the possibilities offered by the market of developing countries. The possibility of global procurement of vehicles should be considered further. Decentralization of responsibility for fellowships should be undertaken; briefing of all experts should be done in the field, briefing at Headquarters being undertaken in exceptional cases only.

C. Post-project Backstopping. Provisions and preparation for post-project backstopping should be included in the project document. After completion of the project, organizations of the United Nations system should be prepared to give technical advice in relation to the follow-up action taken by the Government. There should be a post-project tripartite review for large projects two years after the completion of a project. Extensive decentralization of administrative backstopping from Headquarters to the field should be undertaken.

D. General. The United Nations organizations should undertake an examination of their structure and machinery for backstopping, with a view to preventing a scattering of decision-making authority. UNDP and ACC should strengthen the existing machinery for co-ordination in backstopping of technical co-operation activities. Agencies should profit from each other's experience in the success and failure of administrative and technical backstopping.

26. This report was sent on 10 November 1977 to the Secretary-General of the United Nations and to the executive heads of participating organizations. The joint comments of the United Nations Agencies and UNDP on this report were issued on 5 April 1978 in UNDP document DP/324. It was considered by the Governing Council of UNDP at its twenty-fifth session in June 1978 (document DP/302).

(c) Report on Women in the Professional Category and Above in the United Nations System (JIU/REP/77/7, dated December 1977)

27. The two-fold objectives of the report were: (a) to investigate the problem and; (b) to make recommendations for consideration by the organizations. Though the bulk of the analytical material was provided by the Agencies, valuable information on the subject was obtained from personal interviews and informal discussions and meetings. After reviewing the main policies and programmes of the Agencies, the report examines the current employment situation of women in the organizations of the United Nations system. The analysis of the statistical material not only indicates an imbalance in employment between males and females in the Professional category of staff, but also a marked tendency to have fewer women in senior positions. Different aspects of the subject have been examined, such as staff concentration by grade, number of women in supervisory functions, women in field assignments, promotion rates between males and females, etc.

28. From the study, two sets of forces at work have been identified. On the one hand, there is a genuine desire and persistent efforts by the organizations to improve the employment prospects of women. On the other hand, the dearth of qualified women readily available for some posts and the rigid application of the geographical rule in the distribution of United Nations professional posts frustrate some of the efforts to increase the number of women in the organizations.

29. Top-level support in the organizations as a prerequisite for effective and meaningful action is particularly emphasized. The proposed rôle of the Administrative Committee on Co-ordination (ACC) to review and evaluate progress is important in measuring the success of Agency programmes. Easy solutions and instant results have not been suggested; however, one of the main proposals is for Agencies to adopt target figures in the employment of women. Such targets or goals have been sometimes criticized

for being either ambitious or unrealistic, but in formulating long-term employment policies and reviewing their success from time to time, they serve as useful guides. Therefore, particular stress is placed on the adoption of realistic targets. However, the report emphasizes that recruitment standards should not be lowered in order to increase the number of women.

30. Many of the Agencies favour the recruitment of young women at junior levels who will have prospects to rise to higher positions in their professional career through training and promotion. It has been suggested that Governments should be encouraged to nominate more women candidates to United Nations posts. The need for wider publicity and advertisement of vacancies, contacts with universities and women's organizations and special recruitment campaigns have been underlined in the study. Suggestions have also been made to encourage the recruitment of women from developing countries.

31. Some of the recommendations point to the need for greater liberalization of the existing provisions concerning maternity leave, parental leave of absence without pay, the option of part-time work, flexible working hours and employment of married couples in field assignments. Adequate representation of women on appointment and promotion boards and appeals boards has also been recommended.

32. This report was sent on 31 January 1978 to the Secretary-General of the United Nations and to the executive heads of participating organizations.

(d) Report on Programming and Evaluation in the United Nations System
(JIU/REP/78/1, dated March 1978)

33. This report is the result of an analysis of the programming and evaluation system of the UN which was prompted by the JIU's experimental evaluation of the public administration and finance programme. The difficulties encountered in evaluating that programme were of two different kinds: (a) problems connected with the programme itself (which are analyzed in JIU/REP/78/2; see Section E(e) below), and (b) problems associated with defects in the programming system for all UN programmes, which are discussed in this report.

34. Five years after the adoption of programme budgeting the United Nations possesses a panoply of procedures and documents which are intended to constitute a programming system; yet the practice and spirit of the former system of budgeting by object of expenditure still survives, and in many cases the existing machinery is no more than a formal outer shell. However, the system thus created makes it easy to spot the defects that must be corrected if a real programming system is to be put into operation. These defects relate chiefly to:

34.1 The presentation of subprogramme objectives in the medium-term plan.

34.2 The identification of outputs in the programme budget.

34.3 The definition of the corresponding inputs.

34.4 Programme implementation itself and internal programming.

34.5 Monitoring of programme implementation.

34.6 Evaluation methods.

35. These problems have to be resolved if programming and evaluation at the United Nations are to contribute to more realistic and attainable plans, the proper allocation of resources and effective control by legislative bodies. To these ends the Inspector makes six proposals:

35.1 Format of descriptions of subprogramme objectives in the medium-term plan; adoption of a system of time-limited objectives

(a) Very explicit criteria should be devised for distinguishing between those portions of a programme which definitely represent continuous functions and those for which target dates must be fixed.

(b) Time-limited objectives should as far as possible be the rule and continuous activities the exception.

(c) Descriptions of subprogramme objectives in programming documents should follow a format that enables the expected results to be clearly identified. In particular, a distinction should be made between intermediate objectives (to be attained during the period covered by the medium-term plan) and the date of completion of a subprogramme; also the achievement indicators to be employed to assess the impact of the activity should be listed.

35.2 System of identifying "outputs" in programme budgets

There should be improvements in the system used to identify the outputs listed in programme budgets as constituting the means of achieving the subprogramme objectives during the biennium. This information should be given in greater detail by the use of a five-item identification system, the items being:

- an identification number of the output, including the target date (e.g., ESA-79-AFP-10, meaning that the output is to be produced in 1979);

- the name of the programme element to which the output corresponds;
- the nature of the output, described through an approved nomenclature;
- a statement of the primary (and possibly secondary) recipients of the output;
- One (or more) achievement indicators providing a concise measurement of the expected impact.

35.3 Establishment of internal work programmes in divisions

These programmes (after consultation with all executants) should be drawn up output by output and specify a precise completion date and production timetable for each output. They should define the tasks of each Professional staff member, cover a period of one year, be modifiable and be displayed in a summarized form in each division or section.

35.4 Information process for ongoing programme implementation and output costing

(a) Heads of department, the budget directorate and the intergovernmental committees should be kept informed of the implementation of internal work programmes: documents summarizing the implementation of these programmes should be communicated to them when they consider it necessary. These documents should replace the biennial supplement to the work programme for economic and social activities and the present project information sheets.

(b) An estimate of the resources needed for programme implementation should be facilitated by the reorganization of the budgetary accounting system. An experimental exercise in costing certain outputs and in analyzing the work time of a number of Professional staff should take place as quickly as possible.

35.5 Monitoring of programme budget performance

A system should be instituted to enable the competent inter-governmental committees to monitor the performance of the programme budget.

(a) To this end, a biennial report should be prepared in May of the second year of each biennium containing data on the implementation of each programme and subprogramme, calculated according to pre-determined rules and a detailed report concerning each programme and subprogramme whose implementation rate is below 70 per cent.

(b) The report on the financial implications of programme changes (stripped of its annex III) should if possible be submitted in October of the second year of the biennium. In addition, part of the biennial evaluation report proposed below should deal with the overall implementation of the programme output by output.

(c) The decisions to be taken by the intergovernmental committees on the report proposed in (a) above should cover the question whether to cancel implementation of the output or defer its implementation until the following programme budget, the financial implications of these decisions and the measures applicable in the event of a failure to implement substantial portions of the programme.

35.6 Evaluation methods and the use of built-in achievement indicators

The present evaluation methods should be improved through the use of achievement indicators which would form an integral part of the description of the objectives of each subprogramme. A substantial class of those achievement indicators should be based on the concept of a clientele or users.

A biennial report on achievement as measured by the selected indicators for each programme should be made to the competent intergovernmental committees. All special evaluation reports concerning a particular programme should, in addition, report systematically on possible improvements to the achievement-indicator evaluation methods and make proposals on possible means of determining the impact of the programme in question.

36. The report was sent to the Secretary-General of the United Nations in April 1978. It was considered by CPC at its eighteenth session in May 1978. However, after consideration of the report by ECOSOC and ACABQ, it will be for the General Assembly itself, on the basis of a report by the 5th Committee, to make the final decisions on the applicability of the recommendations.

(e) Report on the United Nations Public Administration and Finance Programme 1972-1976 (JIU/REP/78/2, dated March 1978)

37. This report is the outcome of a comprehensive review and partial evaluation of the United Nations public administration and finance programme. This is the first evaluation of a programme undertaken by the JIU and it should be studied in conjunction with report JIU/REP/78/1 (see Section E(d) above), which is devoted to a more general consideration of the relationship between programming and evaluation in the United Nations. The report was prepared mainly for the Committee for Programme and Co-ordination which requested the JIU to evaluate the programme. It should also be of some interest to the Advisory Committee on Administrative and Budgetary Questions, the Economic and Social Council and the General Assembly (Second and Fifth Committees) by virtue of the proposals it contains concerning the reorientation of the programme.

38. The essential task of the public administration and finance programme is to "assist Member States in improving the effectiveness of their public administration and finance systems for national development". It is a medium-sized programme; in its objectives, its forms of action and its methods, it is a traditional programme. Its activities fall into two main categories:

(a) Technical co-operation activities which consist mainly of projects of "administrative reform", training and assistance in training.

(b) Research activities, which comprise studies, expert meetings or seminars and the issuing of publications.

39. The period covered by the report spans the five years 1972 to 1976 inclusive. The evaluation of the impact of the various activities of the programme proved to be very difficult for several reasons:

(a) This first evaluation of a programme by JIU had to be organized with very limited resources. The methodology had to be developed as the exercise proceeded.

(b) The Division of Public Administration and Finance's own evaluation of the impact of its activities did not produce readily usable results, because the existing machinery for programming and measuring results does not go into sufficient detail either in setting objectives or in identifying outputs of activities.

(c) It was necessary to carry out, in somewhat difficult circumstances, a comparison between programmed activities and completed activities. (See Annex I of the report.) This comparison revealed that the rate of implementation of the programme was extremely low (barely above 50 per cent).

(d) The lack of a scientific approach to the design of technical co-operation projects, i.e. the fact that the objectives of most projects consist of providing predetermined solutions to problems which are inadequately understood.

(e) An evaluation of 15 of the programme's publications was organized by sending questionnaires to existing or potential correspondents of the Division. Practical difficulties were experienced in this operation which nevertheless yielded significant results showing that:

- the quality of the publication is generally appreciated but with many reservations concerning, in particular, the vague and general nature of the contents, the absence of references to specific examples or countries, etc.;
- there is a clear preference for detailed handbooks on specific subjects and down-to-earth comparative studies;
- the sales figures of these publications averaged between 400 and 500 copies, an extremely low level which represents only the standing orders of clients who buy everything produced by the United Nations in this field.

40. In the light of the results of the evaluation exercise and of the general survey of the programme made in the report, the Inspector recommends:

(a) A reorientation of the public administration and finance programme on the basis of a more scientific approach to problems, on the need to place at the disposal of Member States the most useful possible tools, and concentration on a limited number of specific, practical, relatively modest objectives that are attainable within reasonable time limits.

(b) The compilation of a comprehensive and regularly updated list of correspondents of the Division; methods of keeping a permanent dialogue with the Division's clientele should be gradually developed.

(c) The building of a network of co-workers for the implementation of the programme in order that the preparation of the Division's publications should become a collective undertaking in which the best specialists in each field would be associated.

(d) The improvement of the design (i.e. more reference to concrete examples) and of the physical presentation (i.e. more attractive and lively) of the Division's publications.

(e) The institution of more effective internal methods of work based on internal work plans for each programmed output and simple methods of calculating time spent on jobs.

(f) The improvement of the co-ordination between the Division's research activities and technical co-operation activities.

(g) The internal reorganization of the research sections of the Division.

41. This report was sent to the Secretary-General of the United Nations in April 1978. The Committee for Programme and Co-ordination considered it in detail at its eighteenth session (May 1978). The comments of the Secretary-General, which broadly endorse the recommendations of the report, are contained in document E/1978/42/Add.2.

(f) Report on the Rôle of Experts in Development Co-operation
(JIU/REP/78/3, dated March 1978)

42. This report was prepared at the request of the Governing Council of UNDP. Its main purpose, as indicated in DP/260, was to examine relevant aspects of alternative approaches to existing concepts and principles regarding the use of UNDP financed experts in the light of the concern expressed by the Governing Council over the cost of providing expert services which had increased by more than 60 per cent from 1972 to 1978 and which accounted for nearly two-thirds of the UNDP's total programme expenditures. It was recognized that the expert cost problem is closely bound up with fundamental issues arising from changing perceptions of the purposes and functions of technical co-operation, particularly in the light of developing countries' growing capacity to plan, direct and implement their own development programmes.

43. After examining the changing concepts of development co-operation and the experience of bilateral and multilateral technical co-operation programmes, the report suggests that the concept of management of projects by host governments should be fully applied as a contribution to increasing self-reliance. Government execution of projects which was taken to mean the provision by host governments of international project inputs would be an option which could be exercised when circumstances warrant. In line with the principle of government management of projects, international project staff would work under policy directives provided by the host government.

44. The contribution of the Agencies of the United Nations system to UNDP-assisted programmes is stressed. Suggestions are made for strengthening the technical contribution of United Nations Agencies while gradually diminishing their administrative functions. The importance of the accountability of the Administrator of UNDP to the Governing Council was stressed and methods were suggested to reinforce accountability, particularly by strengthening the tri-partite project reviews.

45. A new approach to the provision of expertise through UNDP-assisted projects was then suggested. This approach is based on an analysis of the duties of experts and their status and many recommendations were made on a wide range of subjects including the need to limit the number of experts assigned to projects and their duration of assignments. Following a specific request of the Governing Council, tentative proposals were made for a new payment system for experts based upon lump sums which take account of the different levels of expertise required by the programme and the non-career character of experts' assignments. Emphasis was placed on the desirability of replacing some posts for long-term resident experts by high level short-term consultants serving when necessary on repetitive assignments.

46. As one of the alternatives to the traditional use of experts a new technique called "Co-operation Agreements" was suggested. It combines certain features of institutional twinning and sub-contracting with the provision of Agency technical support. The Inspectors felt that Co-operation Agreements can go far to surmount the serious drawbacks of the traditional "expert-counterpart" relationship and can introduce a real element of reciprocity into technical co-operation by facilitating the two-way exchange of knowledge between the co-operating institutions. By helping to establish close and lasting relationships between similar institutions in both developing and developed countries, Co-operation Agreements can provide continuing benefits well after the formal completion of a project. Detailed proposals were made on the rôle of the various parties in preparing and implementing a Co-operation Agreement.

47. Possible methods for strengthening the contribution of the United Nations system to technical co-operation among developing countries (TCDC) were examined. Five proposals were made including increased contacts between UNDP-assisted projects in similar fields, a system for the exchange of specialists among developing countries and the use of Co-operation Agreements as an instrument for TCDC.

48. The advantages and disadvantages of the sub-contracting technique were reviewed and indications given as to when its use would be cost effective. Proposals were made for the strengthening of local consulting institutions in developing countries and for their priority use for implementing UNDP-assisted projects when they have the necessary qualifications.

49. The United Nations Agencies possess and have access to a very large body of technical information which should be accessible to developing countries. Two methods for systematizing and enlarging the flow of information from Agencies to developing countries were proposed. One concerns technical and scientific information systems and the other the provision of technical advice on request by correspondence.

50. The many proposals made in the report for the provision of technical expertise, by traditional as well as innovative methods, were brought together in a modular system. It would provide governments with a check list of methods of project execution from which they could choose, tentatively at the time of country programming and finally at the time of project planning. Each module could be used independently or in combination with other modules as the circumstances of each project require.

51. The report concludes with an estimate of the financial implications of the various proposals made by the Inspectors as regards project costs, support costs and cost effectiveness.

52. This report was sent on 30 March 1978 to the Secretary-General of the United Nations, to the executive heads of participating organizations, and to the Administrator of UNDP. It was considered by the Governing Council of UNDP at its twenty-fifth session in June 1978. (Documents DP/302, DP/334, DP/334/Add.1, DP/334/Add.2.)

(g) Note on the Views of the Joint Inspection Unit on Agency Overhead Costs (JIU/NOTE/77/3, dated November 1977)

See Section (h) below.

(h) Expanded Preliminary Note on a New System for Agency Support Costs (JIU/NOTE/78/1, dated March 1978)

53. This Note was prepared by JIU in response to a request from the Inter-governmental Working Group on Overhead Costs (WGOC) of the Governing Council of UNDP. JIU first produced a shorter preliminary Note (JIU/NOTE/77/3 - DP/WGOC/1) which was discussed by WGOC at its meeting in January 1978. The expanded Note was prepared for consideration by WGOC at its meeting in June 1978.

54. The existing formula for the reimbursement of overhead costs to Agencies, based on 14 per cent of project costs, represents a pragmatic compromise, and though in existence for some time, it has no scientific basis. While having the merit of simplicity it is inadequate. Moreover, its deficiencies will be accentuated, for obvious reasons, if new dimensions providing greater variety in the methods of project execution - particularly Government execution - become a reality. JIU feels the time has come to devise a new system. Although the one suggested in this document is more complex to describe and develop than the existing 14 per cent formula, its application would lead to economies and would not be unduly complex.

55. The proposed system is based on the following principles: instead of reimbursing support costs globally - as is done under the present formula - on the basis of the Agency's total UNDP-financed project expenditures and without distinguishing between the elements making up these costs, the system suggested in this document would:

55.1 Allow for an analysis and breakdown of the different components of support costs, and;

55.2 Establish the percentages for the reimbursement of support costs on a project by project basis.

56. Support costs may be defined as the sum total of expenses of a United Nations Agency incurred as a result of its participation in technical co-operation programmes. Support costs should be divided into two categories:

56.1 Programme Support Costs may be defined as that part of support costs devoted to functions of technical co-operation which are not directly related to specific projects, but arise from the inherent competence and capacity of an organization in its particular field.

56.2 Project Support Costs may be defined as that part of support costs directly related to specific projects.

57. Programme Support Costs would be reimbursed by UNDP to each Agency in a fixed percentage of the project costs of the Agency to partially compensate for work in programme planning - country programming, related sectoral studies, etc.

58. A further distinction would be made within project support costs between Technical project support and Administrative project support costs.

58.1 Technical project support costs would comprise the following elements :

Participation in project planning; Technical support and supervision of experts and consultants; Advice on training programmes; Advice on equipment specifications; Technical negotiation and supervision of sub-contractors; Technical reporting; Participation in project evaluation, revision and follow-up.

58.2 Administrative project support costs would comprise:

Recruitment of experts and consultants; Personnel administration of experts and consultants; Equipment purchase and inventories; Training and fellowship administration; Administration of sub-contracting; Project budgeting and accounting; Administration of miscellaneous components.

59. For the reimbursement of technical support costs a fixed percentage of total project costs would be applied (the percentage would be higher for traditional project execution and lower in the case of Government execution). For the reimbursement of administrative support costs, however, the amounts to be reimbursed for each administrative activity (e.g. recruitment, procurement of equipment, administration of sub-contracts, etc.) would be expressed as percentages of the corresponding component of the project budget (e.g. expert component, equipment component, sub-contract costs, etc.).

60. Adjustments to project support costs are proposed to take account of variations in the cost of support work deriving from:

60.1 The nature of projects: i.e. support costs are higher when the expert component predominates and lower when the other components are large.

60.2 The size of projects: i.e. larger projects generally require proportionately less support costs than smaller ones.

60.3 The method of project execution: i.e. the cost and volume of the administrative support required under Government execution of projects and Co-operation Agreements would be lower than for the traditional method.

61. Adjustments to the overall annual support costs are proposed to take account of:

61.1 Economies of scale deriving from the organizational structure of the Agencies having comparatively large UNDP programmes, which enables them to have lower per unit costs for support activities.

61.2 Variations in costs at Agencies' Headquarters because of differences in cost of living, as expressed in US dollars. A partial compensation of such differences, on the basis of the post adjustment system, is proposed.

61.3 The need for stability in the reimbursement of support costs in order to avoid reducing the efficiency of the organizational structures performing functions in support of UNDP activities.

62. It is expected that the system would result in an overall reduction in Agency support costs. It can be estimated that in the case of traditional project execution the present 14 per cent figure might still represent a maximum for Agency support costs for projects with a high expert component. However, the support cost percentages in the case of projects with lower than average expert components, projects carried out under Government execution or Co-operation Agreements will most certainly be much lower.

The precise amount of overall reductions cannot be estimated as it depends on many variables (nature of projects, mix of components, types of execution, costs at Agency Headquarters, etc.). It should also be kept in mind that the percentage figures in the Note are based on incomplete and inaccurate data, and hence contain an element of judgement. The margin of error does not appear, however, to be great enough to invalidate the overall results.

63. The effective implementation of the system suggested in this document would require corrections and revisions so that reliable data on the actual costs could progressively be obtained and percentages corresponding to reality established, which is the only way to facilitate further reductions in support costs. This can be made possible only if, as JIU has previously suggested in JIU/REP/74/7, cost measurement systems are developed, at least in the larger Agencies. Such systems should be as simple as possible and allow for the exploitation of results on a project by project basis.

64. It is stressed that the new system for the reimbursement of support costs outlined in this Note represents the preliminary views of JIU.

65. This Note was considered by the Intergovernmental Working Group on Overhead Costs of the UNDP Governing Council in June 1978. The report of the Working Group on this question was then discussed by the Governing Council. (Documents DP/WGOC/21 and DP/WGOC/22.)

(i) Note on Staff Welfare in the United Nations, some Specialized Agencies and IAEA (JIU/NOTE/78/2, dated March 1978)

66. The main object of this study is to describe, in comparative and factual terms, the various kinds and degrees of support (administrative and financial) given by the United Nations and the larger specialized Agencies and the International Atomic Energy Agency (IAEA), within the framework of their regulations, to staff welfare activities and institutions. A secondary object has been to offer such comments and recommendations as seemed appropriate.

67. As a precise definition of the concept of "staff welfare" does not exist, the subject has been approached on a pragmatic basis by means of a questionnaire covering those activities and institutions which appeared to the Inspector to fall under the heading of staff welfare. The study has been divided into two parts totaling twenty-seven questions: Part I - Staff Welfare arrangements, covering "Financial Assistance", "Provision of Facilities", "Advice and Services", "Support for Welfare Activities of Staff Organizations"; and Part II - "Administrative and Policy Questions".

68. As certain welfare benefits and facilities, which form part of the social security legislation as laid down in the staff rules and regulations of the organizations, have been and will probably be again the subject of intensive study, the present study has confined itself to noting their existence and main features. They are related to the United Nations Joint Staff Pension Fund, the benefits provided under the "common system" of pay and allowances, and health and other insurance facilities. Similarly, this study is not concerned with the machinery set up to ensure and facilitate consultation between the staff and the Administration.

69. The main recommendations concern: field staff; the possibility of merging the various voluntary life insurance schemes; financial support for facilities for the care of children, especially handicapped children; the provision of facilities for recreation and relaxation; catering facilities; establishment of a commissary at UN Headquarters; special services from banking and travel agencies; transport services for commuters; help to newcomers; "pre-retirement" courses; staff counsellors. Staff should be associated with the supervision and control of some activities (e.g. catering - commissary). Attention is drawn to the value of "institutionalized" conciliation arrangements, and it is considered that more might be done in some organizations to bring the importance of staff welfare to the attention of governing bodies.

70. This Note was sent on 17 April 1978 to the Secretary-General of the United Nations and to the executive heads of participating organizations.