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UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Budget Estimates for the Administrative and Programme Support
Services for the Year 1976

Report of the Advisory Committee on Administrative and Budgetary Questions

1. In accordance with the provisions of Rule 111.6 of the Financial Regulations and Rules of the United Nations Fund for Population Activities (DP/36), the Advisory Committee on Administrative and Budgetary Questions (ACABQ) has considered the Executive Director's 1976 budget estimates for the administrative and programme support services of the Fund (DP/113). The Committee discussed the estimates with the Executive Director of UNFPA and his senior assistants.

Form of presentation of the budget estimates

2. In the Advisory Committee's opinion the presentation of the budget estimates in document DP/113 is an improvement on that of the estimates for 1975 in document DP/51. The Committee commends the Executive Director for the changes he has introduced, which include the addition of a breakdown of the budget estimates by operational objectives and more detailed data on the expenditures on UNFPA Field Co-ordinators. The drafting of the textual explanations in document DP/113 is concise and clear.

3. At the same time the Committee is of the opinion that further improvements can be made in future submissions. In particular it is desirable that the same time sequence should be adhered to throughout the estimates. In document DP/113 tables I-1 and I-2 and the staffing table which follows paragraph 11 have the sequence 1974-1975-1976, but elsewhere in the document the reverse sequence (1976-1975-1974) is used. Such a presentation may lead to confusion.

4. The usefulness of tables I-1 and I-2 would also be enhanced if the increases (or decreases) between individual estimates and the corresponding appropriations for the current year were expressed in terms of percentages.

5. Although - as has already been stated above - the chapter on UNFPA Field Co-ordinator budgets is more detailed than that in document DP/51, it includes no comparative tables to show changes from one year to the next. The addition of such comparative information would help the Governing Council assess the related requests.

6. The Advisory Committee recommends further that future submissions should also indicate what proportion of the increase is attributable to inflationary pressures and other cost increases and how much is accounted for by programme changes. The absence of such information greatly reduces the usefulness of the tables in part III of the document. In examining those tables the Advisory Committee noted that there was no consistency between the increases shown in the various tables. When the Committee inquired into the reasons for those discrepancies it was informed that the allocation of the 1975 appropriations by operational objectives was only an approximation. The Committee trusts that future submissions will be more accurate in that respect and that the methodology used will be clearly explained in the introduction to the estimates.

7. In order to help the Governing Council to assess more accurately UNFPA's requirements in terms of administrative and programme-support services, it is desirable that the Council be provided at the same time with an estimate of the revenues expected by way of voluntary contributions during the budget period. The Advisory Committee recommends that such information be included in the introductions to future budget submissions.

8. The Committee notes that despite the decision taken by the Governing Council at its eighteenth session on the recommendation of the Advisory Committee to the effect that Section 6 should be entitled "Reimbursement to UNDP" the term "Subvention" is used in the draft resolution in paragraph 10 and elsewhere in the text of document DP/113. The Committee trusts that the necessary corrective action will be taken by the Executive Director.

9. The budget estimates in document DP/113 are presented on an annual basis. This presentation reflects the majority view in the Governing Council at its eighteenth session that it is too early for UNFPA to adopt a biennial administrative and programme support budget (E/5543/Rev.1, paragraph 292). The Advisory Committee trusts that the question will be reviewed again at the appropriate time.

Observations on the budget estimates

10. On a net basis the budget estimates for Administrative and Programme Support Services in 1976 amount to \$3,857,850. This represents an increase of 23.9 per cent over the 1975 appropriation of \$3,113,138; the increase over expenditures in 1974 (\$2,551,392) is 51.2 per cent. These figures exclude the UNFPA Field Co-ordinator budgets (see paragraph 18 below). In paragraph 8 of document DP/113 the Executive Director indicates that the estimates for 1976 amount to 4.29 per cent of the UNFPA budget. This is a slightly lower percentage than the corresponding figure for 1975 (4.58 per cent of the total estimated UNFPA expenditure). The total administrative and programme support overheads for projects funded by UNFPA are, however, considerably in excess of the figures quoted in document DP/113, inasmuch as they also include overhead reimbursements to the executing agencies and such proportion of the agencies' total overheads as are not covered by those reimbursements.

11. The Advisory Committee inquired into the reasons why several items in the estimates for 1976 showed very wide variations when compared with the corresponding appropriations for 1975. The Committee was informed that staff costs were calculated on the basis of individual entitlements; that explained the variations under items such as dependency allowances, education grant, home leave travel, installation allowances, etc. Estimates for general expenses were based on experience in 1974, which was not available when the Governing Council approved the appropriations for 1975; that was the reason for the considerable increases in items such as contractual translation and communications.

12. The major single reason for the increase over the 1975 appropriation, other than cost increases, is the proposed addition of seven Professional and higher posts and seven General Service posts to the manning table of the Fund. On that basis the growth of the establishment since 1974 may be summarized as follows:

<u>Year</u>	<u>Professional and above</u>	<u>General Service</u>	<u>Total</u>
1976	62	63	125
1975	55	56	111
1974	49	52	101

13. The proposed changes include the upgrading to the D-2 level of the posts of the Heads of the Programme Planning and Evaluation Division and the Projects Division. In the course of its consideration of that request the Advisory Committee recalled that prior to the sixteenth session of the Governing Council in 1973 UNFPA had been headed by an Executive Director having the level of Assistant-Secretary-General and a Deputy Executive Director at the D-2 level. At that session the Governing Council endorsed the recommendation of the Administrator of UNDP that the post of Executive Director of UNFPA be raised to the level of Under-Secretary-General. At its following session the Governing Council had before it a proposal in document DP/33 for the addition of a second Deputy Executive Director post at the D-2 level. The second post (Deputy Executive Director, Operations) was recommended "to ensure close supervision over the details of UNFPA programming and operations of the Fund in view of the Executive Director's and the Deputy Executive Director's time consuming policy and representational functions". The Governing Council approved that request.

14. The proposed upgrading of the posts of the heads of the two divisions to the D-2 level would bring them up to the same level as the two existing posts of Deputy Executive Director. When the Advisory Committee drew that to the attention of the Executive Director of UNFPA, it was informed that a proposal to reclassify the Deputy Executive Director posts to the Assistant Secretary-General-level next year should not be ruled out. The Advisory Committee does not believe that the upgrading of the posts of the division heads, if approved by the Council, should then be used as an argument for raising the level of the posts of Deputy Executive Director. In the Committee's opinion the Governing Council should have an opportunity to consider the proposed upgrading within the over-all context of the top structure of the UNFPA secretariat, so as to determine whether the latter can be streamlined. For instance, if the posts of Directors of the two divisions

were to be established at the proposed higher level, their incumbents might be able to assume some of the functions hitherto performed by the Deputy Executive Directors, with a consequential reduction in the number of the latter posts from two to one (possibly at a higher level than at present). On that basis one might contemplate, in due course, a simplified organizational structure with clear lines of authority from the Executive through one Deputy Executive Director to the two heads of divisions.

15. Four of the new posts requested for 1976 (one D-1, one P-3 and two General Service) are for the Programme Planning and Evaluation Division. Additional resources for that division are requested by way of consultancy provisions (DP/113, paras. 15 and 16). The Advisory Committee trusts that in administering the consultancy provisions the Executive Director will be guided by the decisions of the Fifth Committee at the Twenty-ninth session of the General Assembly on the subject of experts and consultants.

16. The Advisory Committee was informed that the proposed additions to the manning table and reclassification of posts are justified in terms of the increased workload of UNFPA, and that requests for new projects now outstrip the potential resources of the Fund. In the Advisory Committee's opinion, any increase of the staff of UNFPA beyond what is proposed in document DP/113 should be conditional on growth, in real terms, of the assistance funded by the Programme.

17. The estimate for rental and maintenance of premises shows an increase of approximately one-third above actual expenditure in 1974. In paragraph 27 of his report the Executive Director explains that UNFPA proposes to acquire about 10,000 square feet of additional space to accommodate its staff. When the Advisory Committee inquired into the relationship between the proposed increase in office space and the number of new posts, it was informed that the Fund was now temporarily occupying free of rent 5,000 square feet of space leased by another organizational unit, and that the Fund co-operates with the United Nations in ensuring that all space is fully used.

18. In paragraph 5 above reference was made to the lack of comparative data in part IV of document DP/113, UNFPA Field Co-ordinator budgets. The Committee compared the request with the estimates for 1975 in document DP/51. The total estimate of nearly \$2 million shows an increase of \$0.5 million over the estimate for 1975. Estimates for individual offices show considerable variations; in some cases, the 1976 estimates are double or more than double those for 1975. The number of co-ordinators shows an increase from 18 to 26. The number of co-ordinators at the L-6 (D-1) level is to rise from 4 to 6 and at the L-5 (P-5) level from 12 to 16. Document DP/113 does not explain the reasons for those changes. In paragraphs 15 and 16 of its observations on the UNFPA estimates for 1975, (DP/68) the Advisory Committee recommended that the estimates for UNFPA Field Co-ordinators be included in the budget estimates for the administrative and programme support services of UNFPA. Although that recommendation was not supported by the Governing Council of UNDP for the reasons stated in its report E/5543/Rev.1, chapter IX), the Advisory Committee reiterates its recommendation which should help the Governing Council to exercise greater control over

expenditures on UNFPA Field Co-ordinators. The procedure recommended by the Advisory Committee would also be consistent with the practice followed by UNDP, which includes the costs of its Resident Representatives and sectoral advisers (Senior Agricultural Advisers and Senior Industrial Advisers) in its own budget estimates for administrative and programme support costs.

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