



The Associate Administrator  
United Nations Development Programme

1853 + diskettes  
Feb/Aug.

5 November 1992

Dear Colleague,

I am pleased to enclose revised guidelines for the implementation of the new arrangements for programme support costs, an earlier version of which was issued in January 1992. As informed earlier, the guidelines were submitted to the Governing Council in May 1992 for their review. The Council has taken note of them in its decision 92/22, subject to certain changes.

In my transmittal letter of 23 January 1992 with which I had enclosed the guidelines, I had stated that updates would be issued periodically to reflect feedback received from field testing of the guidelines as well as to incorporate further simplifications and refinements. Accordingly, the attached document entitled **Revision 1** is being issued at this time. The changes include, inter alia, the following:

- a) Chapter 2: Policy Framework for Execution and Implementation, has been revised to reflect certain changes in the definition of terms used, as approved by the Governing Council;
- b) Consolidation of budgets covering UNDP contribution and Administrative and Operational Services (Annexes 7, 8, 10 and 11); such consolidation has become possible, as anticipated, from the redesign of computer based systems to incorporate the requirements of the new arrangements; and
- c) Other changes resulting from improvements to the financial procedures, as indicated in the text of the guidelines at the appropriate places.

Also enclosed are computer diskettes and user guides for the new software designed to facilitate the preparation of UNDP project budgets under the new regime. This software will assist in computing AOS costs and for producing consolidated executing agency and implementing agency budgets. The software can also be used in staff training to illustrate the new procedures for producing project budgets and to understand the mechanics behind the AOS calculations.

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To all Resident Representatives



As informed earlier, an extensive programme of field training is currently under way to familiarize operational personnel in the field with the new arrangements and the underlying policy framework for execution and implementation. This is a collaborative, inter-agency exercise led by UNDP which will be attended by senior officials from the governments and field representatives of UNDP and the agencies concerned. The preliminary feedback from such workshops already held has been very positive. The participants in the workshop have reported that the discussion of the overall policy framework for the programming and delivery of UNDP assistance, of which the new support cost arrangements form a part, was particularly useful and effective. More importantly, the team spirit engendered by these workshops among the government, agency and UNDP participants was judged to be particularly rewarding. This programme of training consisting of over 15 subregional workshops, is expected to be completed before the end of the year.

Finally, the guidelines continue to be under field testing and we would therefore welcome any suggestions for improvements to them. The Regional Bureaux have established focal points who will be responsible for undertaking the training programmes and for providing support to field offices. Please therefore direct any questions on operational matters to your Bureau. Additionally, the Finance Unit of your Regional Bureau should be contacted for any clarifications on the software provided. Questions of a policy nature should be copied to me and the Planning and Coordination Office.

With best regards.

Yours sincerely,



Luis María Gómez