

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

DP/1994/CRP.11  
6 October 1994

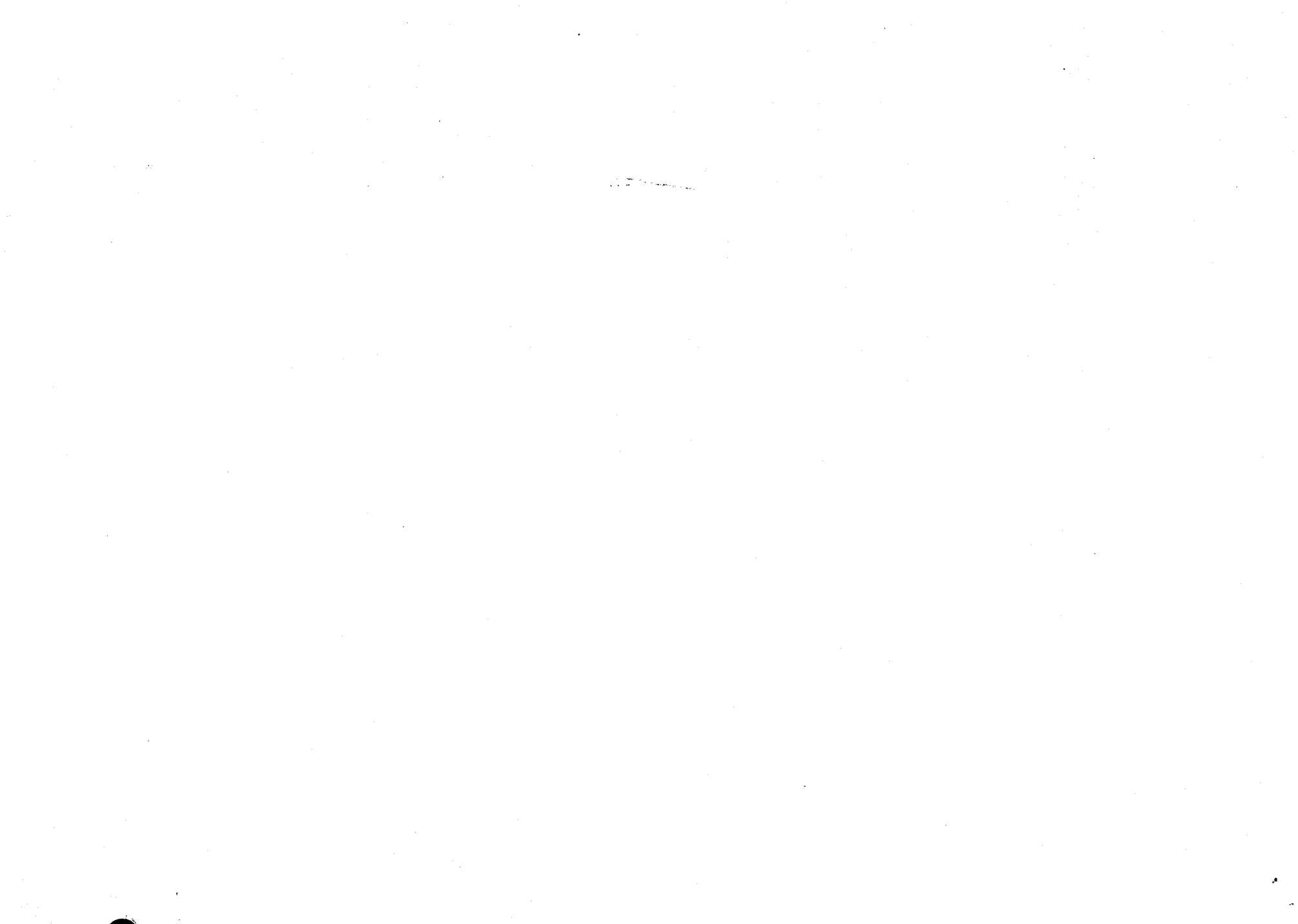
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Third regular session 1994  
6-10 October 1994, New York  
Item 8 of the provisional agenda

OFFICE FOR PROJECT SERVICES

Proposed annex to the Financial Regulations and Rules of the  
United Nations Development Programme to govern activities of OPS

Attachment to the memorandum of the Legal Counsel to the  
Executive Director of the Office for Project Services  
of 29 September 1994



*Attachment to the Memorandum  
of the Legal Counsel to the  
Executive Director of OPS  
of 29 September 1994*

**DRAFT**

**ANNEX TO THE FINANCIAL REGULATIONS AND RULES  
OF THE UNITED NATIONS DEVELOPMENT PROGRAMME**

**UNITED NATIONS OFFICE FOR PROJECT SERVICES (UNOPS)  
FINANCIAL REGULATIONS**

**ANNEX TO THE FINANCIAL REGULATIONS AND RULES OF  
THE UNITED NATIONS DEVELOPMENT PROGRAMME**

**UNOPS FINANCIAL REGULATIONS**

**A. APPLICABILITY**

**Article I. APPLICABILITY**

**Regulation 1.1:** *These Regulations are made in accordance with General Assembly resolution ..... and shall govern the financial management of the United Nations Office for Project Services (UNOPS) unless otherwise provided by the General Assembly or the Executive Board. These Regulations shall be interpreted and applied together with the United Nations Development Programme Financial Regulations.*

**Regulation 1.2:** *Amendments and exceptions to these Regulations may be made only by the Executive Board.*

**Regulation 1.3:** *These Regulations shall become effective on 1 January 1995.*

**Regulation 1.4:** *In regard to any matter not specifically covered by these Regulations, the appropriate provisions of the United Nations Development Programme Financial Regulations shall, mutatis mutandis, apply.*

**B. DEFINITIONS**

**Article II. DEFINITIONS**

**Regulation 2.1:** *For the purpose of the Financial Regulations of UNOPS, the following definitions of the main entities involved in the activities of UNOPS shall apply:*

- (a) "UNOPS" shall mean the United Nations Office for Project Services, as established by the Secretary-General pursuant to General Assembly resolutions ..... and Executive Board decisions 94/12 and .....

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(b) *"Management Coordination Committee" shall mean the Committee established by the Secretary-General to assist him in providing policy and management direction in the functioning of UNOPS; and*

(c) *"Executive Director" shall mean the Executive Director of UNOPS;*

(d) *"Funding Source" shall mean any entity, which may be an organization of the United Nations System, an International Financial Institution, a recipient Government, a donor Government, or a non-governmental organization, which provides financial resources for development assistance, for which UNOPS provides services.*

**Regulation 2.2:** *For the purposes of the Financial Regulations of UNOPS, the following definitions in respect of specific terms used shall apply:*

(a) *"biennial budget" shall mean the budget to cover operational costs of UNOPS;*

(b) *"disbursement" shall mean the actual amount paid;*

(c) *"expenditure" shall mean total charges incurred whether paid or unpaid, i.e. the sum of disbursements and unliquidated obligations for the current year in respect of projects and for the biennium in respect of the biennial budget;*

(d) *"fee" shall mean the sum payable to UNOPS for services rendered in the context of agreements or other instruments covering management and other support services. It shall include all costs associated with the development, negotiation, conclusion and implementation of such agreements;*

(e) *"funds received" shall mean:*

- *for projects financed from UNDP funds, the signed project document or advance authorization;*
- *for projects financed from non-UNDP funds administered by UNDP, cash received or a recognized blanket withdrawal*

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- authorization or letter of credit from a funding source;*
- for projects financed from other funds, cash received; or*
- other arrangements that may be agreed;*

*(f) "obligation" shall mean an engagement involving a liability against the resources of the current year and future years in respect of project activities and the current biennium in respect of the biennial budget;*

*(g) "operational costs" shall mean the costs against the UNOPS Account of UNOPS Activities for the provision of management, technical, administrative, financial and logistical support;*

*(h) "project" shall mean any separately identified development undertaking of one or more Governments and assisted by a funding source;*

*(i) "project document" shall mean the formal document, revisions thereof, covering the agreed arrangements for the undertaking of the project which includes, inter alia, a project budget. This term, where appropriate, shall also include agreements or other instruments covering management or other support services;*

*(j) "resources entrusted to the charge of UNOPS" shall mean all resources for which UNOPS is responsible by virtue of its acceptance to provide services;*

*(k) "services" shall include comprehensive project management, the implementation of components of programmes and projects under execution by other organizations of the United Nations system or by national institutions, the provision of management and other support services for multilateral, bilateral and recipient government-financed projects, and the loan administration and project supervision on behalf of international financial institutions;*

*(l) "support costs" shall mean the expenses incurred by UNOPS as a result of its implementation of projects funded either by UNDP or other United Nations organizations that apply a common reimbursement regime for such implementation services;*

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(m) "UNOPS Account" shall mean the Account established for the purposes of accounting for all income to UNOPS and all expenditures made on behalf of UNOPS against that income;

(n) "UNOPS Activities" shall mean undertakings by UNOPS, either in the form of services funded by projects or in the form of transactions funded from the UNOPS Account;

(o) "UNOPS income" shall mean the earnings of UNOPS for its services, and shall include:

(i) support costs collected;

(ii) fees earned under management or other support services agreements; and

(iii) interest earned thereon.

### C. ACCOUNTABILITY

#### Article III. ACCOUNTABILITY

**Regulation 3.1:** The Secretary-General is fully responsible and accountable to the Executive Board for all phases and aspects of UNOPS activities and may delegate to the Executive Director the management of UNOPS to be exercised under the policy and management direction of the Management Coordination Committee.

### D. FINANCIAL PERIODS

#### Article IV. FINANCIAL PERIODS

Period for the biennial budget

**Regulation 4.1:** *The financial period for the purpose of both proposed utilization of resources and the incurring of and accounting for expenditures in respect of the biennial budget shall consist of two consecutive calendar years (hereinafter referred to as biennium), the first of which shall be an even year.*

## **Article V. UNOPS ACTIVITIES**

**Regulation 5.1:** *Policies set by the Executive Board shall determine the nature of UNOPS Activities.*

**Regulation 5.2:** *Under policies established by the Executive Board, UNOPS may:*

*(a) Conclude contracts, as are required for the purpose of carrying out its activities;*

*(b) Enter into written arrangements with governmental, inter-governmental and non-governmental organizations and institutions for cooperation with UNOPS in the provision of UNOPS services;*

*(c) Acquire and dispose of movable and immovable property;*

*(d) Institute legal proceedings.*

**Regulation 5.3:** *UNOPS services shall be provided within the framework of a project document, agreement or other instrument with a funding source and recipient government which shall specify, inter alia, the project activities and project budget, as well as the income UNOPS is to receive for the services rendered.*

**Regulation 5.4:** *UNOPS shall ensure that all expenditures for foreseen project activities are covered by funds received from a funding source.*

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## Article VI. BIENNIAL BUDGET

### Proposed biennial budget

**Regulation 6.1:** *The proposed biennial budget shall cover operational costs. It shall be prepared by the Executive Director and shall be related to the plan submitted for the current planning period or, should the biennium span more than one planning period, the current and the following period.*

**Regulation 6.2:** *The biennial budget shall cover proposed expenditures and anticipated income related to the biennium and shall be presented in United States dollars.*

**Regulation 6.3:** *In the second year of a biennium, the proposed UNOPS biennial budget for the following biennium shall be submitted to the Executive Board through the Management Coordination Committee. This proposed biennial budget shall be transmitted to all Members of the Executive Board at least six weeks prior to the opening of that session of the Board.*

**Regulation 6.4:** *The proposed biennial budget shall also be transmitted to the Advisory Committee for examination at the same time as it is transmitted to Members of the Executive Board under Regulation 6.3 above.*

**Regulation 6.5:** *The Advisory Committee is requested to prepare a report to the Executive Board on the proposed biennial budget. This report shall be transmitted to all Members of the Executive Board as soon as it is available.*

**Regulation 6.6:** *The Executive Board shall, in the second year of a biennium, adopt the biennial budget for the following biennium.*

### Supplementary biennial budget proposals

**Regulation 6.7:** *Supplementary proposals to amend the biennial budget may be submitted whenever necessary.*

**Regulation 6.8:** *The Executive Director shall prepare supplementary proposals to amend the biennial budget in a form consistent with the approved biennial budget. Such supplementary proposals shall be submitted to the Executive Board*

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*through the Management Coordination Committee. They shall also be submitted to the Advisory Committee which is requested to review them and report thereon to the Executive Board.*

## **Article VII. APPROPRIATIONS FOR THE BIENNIAL BUDGET**

**Regulation 7.1:** *Appropriations for the biennial budget approved by the Executive Board shall constitute an authorization to the Executive Director to incur obligations and to make payments for the purposes for which the appropriations were approved and up to the amounts so approved.*

**Regulation 7.2:** *Appropriations for the biennial budget shall be available for obligation during the biennium to which they relate.*

**Regulation 7.3:** *Appropriations shall remain available for 12 months following the end of the biennium to which they relate to the extent that they are required to discharge any outstanding legal obligation of the biennium.*

**Regulation 7.4:** *At the end of the 12-month period provided in Regulation 7.3 above, the then remaining balance of any appropriations retained will revert to the UNOPS Account. Any unliquidated obligations of the biennium in question shall at that time be canceled or, where the obligation remains a valid charge, transferred as an obligation against current appropriations.*

**Regulation 7.5:** *Within the limits established by the Executive Board, the Executive Director shall have the authority to incur unforeseen personnel and related administrative expenditures against unspent and/or projected income, subject to postfacto approval of such actions by the Executive Board.*

## **E. ADMINISTRATION OF RESOURCES**

### **Article VIII. THE UNOPS ACCOUNT AND OTHER ACCOUNTS**

**Regulation 8.1:** *There shall be established a UNOPS Account, as required by UNOPS Activities, to which all of the income to UNOPS derived from its services*

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*shall be credited and against which all expenditures on behalf of UNOPS shall be charged.*

**Regulation 8.2:** *There shall be established separate special accounts, as required by UNOPS Activities, for identification, administration and management of resources entrusted to the charge of UNOPS by a funding source. The administration of such funds shall be carried out in accordance with these Regulations, and the terms of the written arrangements concluded for this purpose.*

**Regulation 8.3:** *Within the UNOPS Account, a reserve shall be established at a level set by the Executive Board. The elements to be compensated for and covered by it shall be limited to:*

- (a) Shortfalls in income;*
- (b) Uneven cash flows;*
- (c) Professional or contractual liabilities associated with UNOPS Services; and*
- (d) Liabilities associated with UNOPS personnel contracts financed from the UNOPS Account.*

*The decision to make a drawdown from the UNOPS Reserve shall rest solely with the Executive Director, who will report through the Management Coordination Committee all drawdowns to the Executive Board at its next regular session and between sessions, to Members of the Executive Board as may be prescribed by the Board or whenever the situation in the Executive Director's opinion so merits.*

**Regulation 8.4:** *Separate accounts shall be maintained for all reserves within the UNOPS Account.*

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## Article IX. MANAGEMENT OF FUNDS

### Custody of funds

**Regulation 9.1:** *The Secretary-General shall act as custodian of UNOPS income and resources entrusted to the charge of UNOPS and shall designate the bank or banks in which such income and resources shall be kept.*

**Regulation 9.2:** *The Secretary-General may delegate to the Administrator of UNDP such authority with respect to custody of funds as would facilitate the efficient and effective management of UNOPS income as well as resources entrusted to the charge of UNOPS, and such delegated authority may be accepted by the Administrator of UNDP in writing.*

## Article X. INTERNAL CONTROL

**Regulation 10.1:** *The Secretary-General may delegate to the Administrator of UNDP the authority to establish and/or amend detailed financial rules for UNOPS, on the basis of proposals from the Executive Director, and on the advice of the Management Coordination Committee, to ensure effective financial administration and the exercise of economy, and circulate the Financial Rules to Members of the Executive Board for information at least 30 days before they become effective. The Executive Director may establish procedures consistent with these Regulations for implementation of such financial rules.*

**Regulation 10.2:** *The Secretary-General may delegate to the Executive Director the authority to:*

(a) *Cause all payments to be made on the basis of supporting vouchers and other documents which ensure that the services or goods have been received, and that payments have not previously been made;*

(b) *Designate the officers who may receive moneys, incur obligations or commitments and make payments on behalf of UNOPS;*

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**(c) Maintain an internal financial control which shall provide for an effective current examination and review of financial, management and operational activities, in order to ensure:**

- (i) The regularity of the receipt, custody and disposal of UNOPS income, as well as resources entrusted to the charge of UNOPS;**
- (ii) The conformity of expenditures and commitments with the allocations, appropriations or other financial provisions decided upon by the Executive Board or with agreements with other United Nations organizations and other entities;**
- (iii) The effective and efficient management of UNOPS and the effective, efficient and economic use of UNOPS income, as well as of the resources entrusted to the charge of UNOPS.**

**Regulation 10.3: The Secretary-General may make such *ex gratia* payments not exceeding \$40,000 as he deems to be necessary in the interest of UNOPS, provided that a statement of such payments shall be submitted to the General Assembly and the Executive Board with the accounts.**

**Regulation 10.4: The Secretary-General may, after full investigation, authorize the writing-off of losses of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts. The Secretary-General may establish, from time to time, an amount below which full investigation and formal write-off are not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line.**

**Regulation 10.5: In conformity with decisions taken by the General Assembly, in particular in resolution 2688 (XXV), annex, paragraphs 41, 42 and 44, and resolution 3405 (XXX), annex, and guidelines issued by the Executive Board, the Executive Director shall be responsible for the purchasing of equipment and supplies and the contracting of services where budgetary provision has been**

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*made in the biennial budget and in the budgets of projects for which UNOPS provides services.*

## **Article XI. THE ACCOUNTS**

**Regulation 11.1:** *The Executive Director shall submit accounts biennially in respect of the UNOPS Account and in respect of resources entrusted to the charge of UNOPS, in accordance with United Nations system accounting standards. The Executive Director shall also give such other information as may be appropriate to indicate the current financial position and shall maintain such accounts and records as are necessary to report to the Executive Board and the General Assembly on the financial status of UNOPS.*

**Regulation 11.2:** *The accounts shall be presented in United States dollars. Accounting records may, however, be kept in such currency or currencies as may be deemed necessary.*

**Regulation 11.3:** *The accounts shall be submitted by the Executive Director, not later than 15 April of the year following the end of each biennium, to the United Nations Board of Auditors for examination and opinion.*

## **F. EXTERNAL AUDIT**

### **Article XII. EXTERNAL AUDIT**

**Regulation 12.1:** *The External Audit provisions of Article XVII of the Financial Regulations of the United Nations Development Programme shall, mutatis mutandis, apply to UNOPS.*

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

DP/1994/CRP.11/Add.1  
6 October 1994

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Third regular session 1994  
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OFFICE FOR PROJECT SERVICES

Proposed annex to the Financial Regulations and Rules of the  
United Nations Development Programme to govern activities of OPS

Attachment to the memorandum of the Legal Counsel to the  
Executive Director of the Office for Project Services  
of 29 September 1994

Addendum

Text of memorandum from the Legal Counsel to the  
Executive Director, Office for Project Services,  
dated 29 September 1994



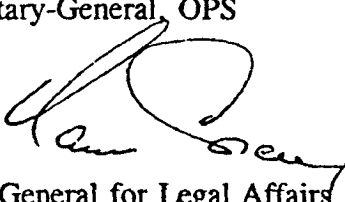
TO: Mr. Reinhart Helmke  
A: Executive Director and  
Assistant Secretary-General, OPS

DATE: 29 September 1994

THROUGH:  
S/C DE:

REFERENCE:

FROM: Hans Corell  
DE: Under-Secretary-General for Legal Affairs  
SUBJECT: The Legal Counsel  
OBJET:



**Proposed Financial Regulations for UNOPS**

Further to my meeting with you and your colleagues on 26 September, and with Mr. Niwa and Mr. Jenks of UNDP on 28 September, I am pleased to enclose herewith a revised text of the proposed annex to the Financial Regulations of the United Nations Development Programme, containing the Financial Regulations for the United Nations Office of Project Services (UNOPS). I am satisfied that the proposed UNOPS Financial Regulations conform with the legal requirements of the United Nations, and meet the requirements of the Executive Board decision 94/12 and the proposals contained in your report to the Executive Board (DP/1994/62).

c.c. Mr. Jean-Claude Aimé  
Mr. Joseph Connor  
Mr. Ji, Chaozhu  
Mr. James Gustave Speth



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

DP/1994/CRP.12  
6 October 1994

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Third regular session 1994  
6-10 October 1994, New York

### UTILIZATION OF CONFERENCE SERVICING RESOURCES


At the request of the Office of Conference and Support Services, the attached memorandum of 20 September 1994 on the utilization of conference-servicing resources is brought to the attention of the members of the UNDP/UNFPA Executive Board.



United Nations  Nations Unies

INTEROFFICE MEMORANDUM

MEMORANDUM INTERIEUR

TO: Mr. Jean-Jacques Graisse, Secretary  
A: Executive Board of United Nations Development  
THROUGH: Programme/United Nations Fund for Population Activities  
S/C DE:  
FROM: Federico Riesco   
DE: Director of Conference Services  
SUBJECT: Utilization of conference-servicing resources  
OBJET: Utilization of conference-servicing resources

DATE: 20 September 1994

REFERENCE:

1. In view of the limited human and financial resources of the Organization, I am seeking your cooperation in ensuring that the Executive Board of UNDP/UNFPA makes the most efficient and cost-effective use possible of available conference resources. To that end, I should like to emphasize a few points that were highlighted by the Committee on Conferences at its recent substantive session. I would suggest that you take them into account when planning and implementing the work of the Executive Board of UNDP/UNFPA, and that you bring them to the attention of the Chairman and members.

2. The chairmen of the relevant organs and subsidiary bodies of the General Assembly should propose to Member States, at the beginning of each session, the adoption of time limits for speakers, in accordance with paragraph 11 of General Assembly resolution 48/222A.

3. In accordance with part II, paragraph 8, of General Assembly resolution 36/117 A, lists of all documents requested by each United Nations organ should be submitted by the Secretary-General at the end of each session, with an indication of the date on which it will be possible to issue each document in all required languages.

4. In accordance with paragraph 5 of General Assembly resolution 47/202 A, paragraph 10 of resolution 47/202 B and paragraph 13 of resolution 48/222 A, the Secretariat is requested to bring to the attention of all organs information on the notional costs per hour of meeting time and on the notional cost per page of documentation.

(a) The notional cost of processing a standard page of documentation (330 words, six languages, 7,000 printed copies) is as follows:

Translation/Revision	\$428
Typing	141
Reproduction	98
Distribution	<u>48</u>

\$715

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(b) The notional conference-servicing cost of one hour of meeting time is as follows:

(i)	Interpretation and verbatim records in six languages	\$5,530
(ii)	Interpretation and summary records in six languages	\$4,700
(iii)	Interpretation in six languages and verbatim records in three	\$3,750
(iv)	Interpretation in six languages and summary records in three	\$3,300
(v)	Interpretation in six languages and support services only (no written records)	\$1,200

5. In closing, let me once again assure you that the staff in the Office of Conference and Support Services are available to respond to your queries and suggestions. We trust that we can count on your cooperation.

