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PROGRAMME IMPLEMENTATION

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1979

UNDP comments on the Report on the Use of Vehicles by UNDP
Field Offices and Projects (JIU/REP/79/6)

Addendum

Note by the Administrator

Summary

UNDP comments on the report reflect general agreement with the JIU conclusions and recommendations. These recommendations are analysed in some detail, with the many and varied factors involved in the field having been taken into account.

No specific action on the part of the Governing Council is required.

1. UNDP has transmitted the following comments to the JIU on its Report on the Use of Vehicles by UNDP Field Offices and Projects (JIU/REP/79/6); the comments are in the order of the points included in chapter VII of the report, Summary of Conclusions and Recommendations:

- Points 1 and 2: The requirements concerning the use of official vehicles by the Resident Representative's office, as currently reflected in the Administrative Field Manual, are being revised to incorporate the general principles set out in the Administrator's circular letter dated 7 June 1976. However, prior to incorporation, these general principles will be further reviewed in respect of their practical preciseness and applicability. As to the use of project vehicles, UNDP is aware that CCAQ guidelines are not always being followed uniformly or effectively. This problem requires periodic review by Agency Headquarters and by CCAQ, but in seeking systematic solutions, reliance must be placed on recommendations from the Resident Representative, taking into account the specific circumstances in each country.
- Point 3: Criteria for determining the number of vehicles to be assigned to each Resident Representative's office do currently exist. These criteria follow the elements pointed out by the Inspectors and UNDP's Internal Auditors generally review the transportation needs of the field office during their visits. Furthermore, headquarters maintains an overview of such needs on a regular basis. Additions to the authorized level require the fullest justification. UNDP will, however, consider the feasibility of introducing a weighting system for assignment of official transportation to field offices.
- Point 4: UNDP is concerned at the high percentage of vehicles reported in poor condition and will continue to review the situation carefully. Field offices are required to submit a vehicle replacement schedule with their budget estimates which is intended to ensure a properly phased replacement programme for UNDP vehicles assigned to the office (not including project vehicles). Varying conditions in the field do tend to make maintenance and repair of vehicles a difficult problem; however, the Vehicle Standardization List reflects makes and models recommended by the Resident Representative based on the availability of good servicing and spare parts. Should local circumstances change, the Resident Representative is required to revise his standardization recommendations. In the event spare parts become difficult to obtain, UNDP headquarters generally assists the field office in procurement. Some field offices already employ driver/mechanics and UNDP will consider extending such arrangements to selected additional field offices, where appropriate and effective, and when replacement or additional personnel are recruited with appropriate training.

- Point 5: With regard to the determination of the best-suited make and model of cars for use by field offices, the Resident Representative currently makes this determination taking into account local road conditions and the availability of servicing and spare parts. The Vehicle Standardization List is based upon such field recommendations. The factors enumerated in paragraph 29 of the Report are generally the ones taken into account by the Resident Representative. In respect of the acquisition of vehicles, cost comparisons are in respect of local purchase and procurement through headquarters; should the local cost be comparable to or only marginally in excess of the cost through headquarters (including freight, etc.), the Resident Representative is normally authorized to effect local purchase to benefit from earlier delivery. While resale value is a consideration which is taken into account, it by itself would not justify going in for more expensive models. Equally, if not more important, considerations are practical economy in maintenance and operation and servicing facilities. In keeping with its mandate and its mission, UNDP also gives preference to practical, unostentatious makes and models.

- Point 6: The disposal of cars assigned to offices of Resident Representatives is decided on a case-by-case basis. For planning purposes, a projected disposal schedule is formulated during budget exercises but actual disposal is decided on its merits. Purchase of replacement vehicles is also decided on the basis of need and related to the approved budget. This also allows for the possibility of revision to the initial plans included in the budget estimates although generally replacement acquisitions are normally within the planned budget. Emergency circumstances do arise when a vehicle has to be replaced even though its disposal was unbudgeted. Provided an approved budget reflects precisely a provision for replacement of a vehicle or vehicles, there should be no reason why Resident Representatives should not handle replacement of the office vehicles, although it is considered that in most cases procedures in the field office for this purpose would need refinement.

- Point 7: With regard to the disposal of project vehicles, these arrangements form part of the over-all disposal of project equipment which is generally a matter for consultations between the Government, the Participating and Executing Agency and UNDP. Consequently, the Government is involved in the disposal process which would consider the continuing need for the equipment in the furtherance of project activities. Vehicles, in general, are categorized as (i) operational and needed for project activities, or (ii) passenger. The former are normally transferred to the Government on completion of project activities. Passenger vehicles which are provided purely in support of the international experts assigned to the project are normally not transferred to the Government on completion of a project. Vehicles in the latter category are normally transferred into the custody of the Resident Representative either for transfer to another project or to be sold. In the event of sale, the proceeds are credited to the project, if its accounts remain open, otherwise to UNDP's Miscellaneous Income.

- Point 8: Overtime payments to drivers is in most cases a real need and is so recognized in the budget process. It should, however, be noted also that the UNDP field office generally provides vehicle support to all Agencies (see chapter VII, paragraph 10 of the JIU Report) and this means to the various officials who visit the many duty stations. The Resident Representative, and generally other senior members of his office, are also frequently required to attend official functions outside of normal office hours. While therefore some overtime is unavoidable, UNDP continues to impress on Resident Representatives the need to keep this item under tight control and periodic review. It should be noted that when official office transportation is provided to a staff member for airport transportation, the staff member is obliged to reflect this in his travel claim and, in such circumstances, a terminal allowance is not paid.

- Point 9: Use of official vehicles for private purposes must be with prior approval and on reimbursement, and instructions have already been issued to Resident Representatives in this regard. Resident Representatives have been authorized to permit such use only in special circumstances, i.e. during the period of initial arrival of the staff member at the duty station prior to the arrival of his/her personal vehicle which UNDP encourages the staff member to import, or in other personal emergency circumstances. We are aware that this procedure is generally being followed and is a matter which is regularly reviewed by UNDP's Internal Audit staff during visits to field offices.

- Point 10: The use of cars for official visitors has been covered in 8 above.

- Point 11: UNDP continues to facilitate the acquisition of private cars by its staff members in the General Service, Field Services Level and Professional Level up to P-2 through the medium of salary advances. Furthermore, loans for the purpose are available through the United Nations Federal Credit Union. All UNDP international staff are advised to import personal vehicles and are encouraged to do so through the scheme whereby a major part of the freight costs is reimbursed for most field duty stations. The reimbursable amount has been increased recently. Reimbursement for use of a personal vehicle for officially certified purposes can be claimed by the staff member on the basis of the mileage rate authorized in the country of duty station.

2. UNDP expressed its appreciation to the JIU for its report, and informed the inspectors that their conclusions and recommendations would be followed up and taken duly into account during UNDP's periodic reviews of this matter.
