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PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

United Nations Conference on Trade and Development (UNCTAD)

Interim arrangements for the International  
Natural Rubber Council

Preparatory work for bringing the Common Fund into operation

Fourth report of the Advisory Committee on Administrative and  
Budgetary Questions

1. The Advisory Committee has considered two notes by the Secretary-General relating to section 15, United Nations Conference on Trade and Development (UNCTAD), of the programme budget for the biennium 1980-1981 - one on interim arrangements for the International Natural Rubber Council (A/C.5/35/22) and the other on preparatory work for bringing the Common Fund into operation (A/C.5/35/19), in which the Secretary-General requests appropriations of \$200,000 and \$1,750,500 respectively, on a non-recurrent and reimbursable basis. The Secretary-General states that these provisions will be fully offset by increases of the same amounts under the income section of the budget reflecting the reimbursement due to the United Nations from the two organizations once they have come into being.

Interim arrangements for the International Natural Rubber Council (A/C.5/35/22)

2. In his report on this matter (A/C.5/35/22) the Secretary-General states that under article 61, paragraph 6 of the International Natural Rubber Agreement, 1979, he is being requested to convene the first session of the International Natural Rubber Council as soon as possible after the Agreement enters into force.

3. The Secretary-General expects that the Agreement will enter into force in October 1980 and that the first session of the Council will begin late November 1980. The Council is expected to make arrangements necessary to enable the International Natural Rubber Organization to come into being (A/C.5/35/22, para. 3). To this end, and in order to enable the Council and the organization to meet its initial expenditures, the Secretary-General requests an appropriation of \$200,000 under

section 15 of the programme budget for 1980-1981, to be provided in the form of an advance and repaid to the United Nations by the new organization after it has been established and resources become available to it. The Advisory Committee takes note of the Secretary-General's statement in paragraph 5 that the estimate under income section 2 of the budget would be increased by an amount corresponding to the amount of the advance.

4. The total of \$200,000 would cover temporary assistance (\$25,000), travel (\$12,000), conference servicing (\$146,000) and general operating expenses (\$17,000) (para. 4).

5. The Advisory Committee has no objection to the Secretary-General's request.

Preparatory work for bringing the Common Fund into operation (A/C.5/35/19)

6. In his report on this matter (A/C.5/35/19), the Secretary-General states that in June 1980 the United Nations Negotiating Conference on the Common Fund adopted the agreement establishing the Common Fund. In that connexion, the Negotiating Conference called for the establishment of the Preparatory Commission and a special unit for the servicing thereof and decided that the costs of the preparatory work for bringing the Common Fund into operation might be met from funds to be advanced by the General Assembly in accordance with its decision 34/446 of 19 December 1979. In that decision the Assembly "decided to make appropriate arrangements to advance the necessary funds to enable the financing of the preparatory work required for bringing the Common Fund into operation, up to a total of \$1.8 million".

7. The Advisory Committee recalls that the Secretary-General submitted to the General Assembly at its thirty-fourth session a statement of the financial implications of preparatory work for bringing the Common Fund into operation (A/C.5/34/87). In that document he stated that a total appropriation of \$1,722,700 would be required "in a new section of 15 B of the programme budget for the biennium 1980-1981, offset by an equal amount under income section 2" (A/C.5/34/87, para. 16). The Advisory Committee reported orally to the Fifth Committee at its 84th meeting (A/C.5/34/SR.84) that there was no need for a new appropriation line and that in view of the uncertainty as to when the Common Fund would come into being the question of advance appropriation could be considered under the resolution on unforeseen and extraordinary expenses. Subsequently, the Fifth Committee decided to inform the General Assembly that, "should it adopt the draft decision recommended by the Second Committee (A/34/538/Add.1, para. 29), no additional appropriation would be required for 1980-1981. When the need arises, additional appropriations would be considered in the context of the resolution on unforeseen and extraordinary expenditures for 1980-1981, or in subsequent biennia" (A/34/797, para. 9).

8. In paragraph 4 of his report (A/C.5/35/19), the Secretary-General states that the review of the requirements of the preparatory work for bringing the Common Fund into operation was completed after the thirty-fifth session of the General Assembly had begun, thus obviating the need to resort to the resolution on unforeseen and extraordinary expenditures for 1980-1981. Accordingly the Secretary-General recommends that the General Assembly should appropriate an amount of \$1,750,500, on a non-recurrent and reimbursable basis, under section 15 of the programme budget for the biennium 1980-1981, to be fully offset by an increase of the same amount under the income section 2 of the budget reflecting the reimbursement due the United

Nations from the Common Fund, once the Fund is declared operational. According to the Secretary-General, such reimbursement would have first claim against revenues of the Common Fund.

9. In paragraphs 8 to 14 of his report (A/C.5/35/19), the Secretary-General states that the estimate of \$1,750,500 covers salaries and common staff costs (\$816,000), consultant services (\$103,500), travel (\$41,400), conference servicing (\$624,000) and other operating costs (\$165,600). In this connexion, the Advisory Committee notes the Secretary-General's statement in paragraph 6 that "the actual utilization of the advance of \$1,750,500 would be largely determined by the work programme to be established by the Preparatory Commission and the actual duration of the interim arrangements".

10. The Advisory Committee notes that the Secretary-General's estimates are essentially the same as those contained in the statements of administrative and financial implications submitted to the General Assembly at its thirty-fourth session (A/C.5/34/87); adjustments have been made, however, to reflect current assumptions on staff costs and exchange rates and the actual time-table (12 months) envisaged for the preparatory work.

11. The estimate of \$816,000 for salaries and common staff costs relates to 14 temporary posts for the special unit in support of the Preparatory Commission. Eight of the posts are in the Professional category and above (one D-2, two D-1, three P-5, two P-3); six are General Service posts, including one at the Principal level (A/C.5/35/19, para. 8). In response to inquiries the Advisory Committee was informed that the proposed senior posts were requested for the Executive Secretary (D-2 level), one legal adviser and one financial adviser (D-1 level), an operations adviser (P-5 level) for each of the two separate accounts envisaged, and one administrative adviser (P-5 level).

12. The Advisory Committee recommends that the Secretary-General's request should be approved.

#### Recapitulation

13. Should the General Assembly approve the Secretary-General's requests, additional appropriations would be required under the programme budget for the biennium 1980-1981 in the following amounts:

Section 15	United Nations Conference on Trade and Development	\$1,950,500
Section 31	Staff assessment	\$ 217,600

Furthermore, the approved estimates of income would have to be increased by the following amounts:

Income Section 1	Income from staff assessment	\$ 217,600
Income Section 2	General Income	\$1,950,500

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