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PROGRAMME BUDGET FOR THE BIENNIUM 1986-1987

Revised estimates under section 29B.5 (Conference Services, Vienna)

Report of the Secretary-General

INTRODUCTION

1. Pursuant to decision 40/405 adopted by the General Assembly on 2 October 1985, an agreement in respect of conference services was reached following consultations among representatives of the United Nations, United Nations Industrial Development Organization (UNIDO) and the International Atomic Energy Agency (IAEA) to the effect that:

(a) There was no agreement concerning the need to proceed at once with the establishment of unified conference services as had been proposed by the Secretary-General (A/C.5/40/7);

(b) It was, however, agreed that the conference-servicing requirements and facilities of the Vienna-based organizations be analysed systematically in a comprehensive study to be carried out jointly by IAEA, UNIDO and the United Nations and be submitted to policy-making organs in 1987 so that conclusions could be reflected in the respective 1988-1989 budgets. In the interim the United Nations would continue to provide the translators and supporting staff currently financed under section 29 of the programme budget to UNIDO and UNIDO would operate a joint translation/documents service on behalf of UNIDO and the United Nations;

(c) It was also agreed to establish a joint UNIDO/United Nations meetings and interpretation service to be operated by the United Nations. The service would consist of the present Meetings Planning Unit in UNIDO, the four interpreters presently assigned to UNIDO and an additional 16 interpreter posts approved by the General Assembly at its fortieth session;

(d) IAEA indicated its interest in a common interpretation service.

2. It will be recalled that subsequently the Secretary-General presented to the fortieth session of the General Assembly, in the context of the conversion of UNIDO to a specialized agency (A/C.5/40/48), revised estimates under section 29B.5 (Conference Services, Vienna) to give effect to the aforementioned agreement with UNIDO and IAEA. The tables below summarize the appropriations approved under section 29 in this regard by major objects of expenditure (table 1) and by category of services provided by each organization (table 2).

Table 1. Appropriations by major objects of expenditure

(in thousands of United States dollars)

	<u>1986-1987 appropriations</u>		<u>Total biennium</u>
	<u>1986</u>	<u>1987</u>	
(a) <u>Translation and Documents Service</u> (to be administered by UNIDO)			
Established posts (20 Professional and 20 General Service)	1 518.4	1 532.4	3 050.8
Temporary assistance for meetings	<u>2 370.1</u>	<u>2 464.8</u>	<u>4 834.9</u>
Subtotal	<u>3 888.5</u>	<u>3 997.2</u>	<u>7 885.7</u>
(b) <u>Interpretation and Meetings Planning</u> (to be administered by the United Nations Office at Vienna (UNOV))			
Established posts (22 Professional and 4 General Service)	1 341.5	1 344.9	2 686.4
Temporary assistance for meetings	669.5	696.0	1 365.5
Overtime	<u>4.7</u>	<u>5.0</u>	<u>9.7</u>
Subtotal	<u>2 015.7</u>	<u>2 045.9</u>	<u>4 061.6</u>
Total	<u>5 904.2</u>	<u>6 043.1</u>	<u>11 947.3</u>

Table 2. Appropriations by type of service rendered

(in thousands of United States dollars)

	<u>1986-1987 appropriations</u>		<u>Total biennium</u>
	<u>1986</u>	<u>1987</u>	
(a) <u>Translation and Documents Service</u> (to be administered by UNIDO)			
Translation	3 296.5	3 381.7	6 678.2
Editing	23.4	24.4	47.8
Typing	35.0	36.3	71.3
Documents control	112.2	116.7	228.9
Printing and reproduction	157.0	163.2	320.2
Distribution	<u>264.4</u>	<u>274.9</u>	<u>539.3</u>
Subtotal	<u>3 888.5</u>	<u>3 997.2</u>	<u>7 885.7</u>
(b) <u>Interpretation and Meetings Planning</u> (to be administered by UNOV)			
Meetings planning	449.2	462.2	911.4
Interpretation	<u>1 566.5</u>	<u>1 583.7</u>	<u>3 150.2</u>
Subtotal	<u>2 015.7</u>	<u>2 045.9</u>	<u>4 061.6</u>
Total conference services	<u>5 904.2</u>	<u>6 043.1</u>	<u>11 947.3</u>

3. When agreement was reached between the United Nations and UNIDO regarding the sharing of administrative responsibilities for conference servicing along the lines indicated above, it was recognized that the resources included in the budgets of the two organizations did not reflect a completely accurate estimation of the conference-servicing requirements of the respective organizations. It was decided, however, to continue to provide under the budget of UNIDO conference-servicing resources previously carried under section 17 of the United Nations budget before UNIDO's conversion. The United Nations, for its part, would continue to provide all conference-servicing resources previously budgeted under section 29C (Conference and Library Services, Vienna). On the basis of work-load statistics available in 1985 it was indicated in the Secretary-General's report (A/C.5/40/48) that the United Nations accounted for a 51.6 per cent share of the entire conference-servicing operations at the Vienna International Centre (VIC). As most of the conference services posts in Vienna were and continue to be provided for under UNIDO's budget, it was anticipated that a proportion of UNIDO's staff, including supervisory staff, would be engaged in conference-servicing activities related to meetings and conferences of the United Nations. A formula was, therefore, needed to adjust and bring each organization's level of budgeted resources more in line with its actual total conference-servicing requirements.

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I. INITIAL ESTIMATES OF COST APPORTIONMENT BETWEEN THE UNITED NATIONS AND UNIDO

4. With respect to the work-load related to translation and documents services, the shares attributable to the United Nations and UNIDO were estimated at 48.8 per cent and 51.2 per cent, respectively, on the basis of statistics available in 1985. These work-load ratios were applied to the combined 1986-1987 initial budgets of UNIDO and the United Nations in respect of translation and documents services and it was determined that the relevant provision in the United Nations budget was understated in the amount of \$2,215,500. In other words, it was estimated that the United Nations would be required to reimburse UNIDO approximately that amount for translation and documents service rendered during the 1986-1987 biennium. In a similar apportionment process, it was determined that UNIDO's share of the total interpretation work-load amounted to 35 per cent. Accordingly, UNIDO made provision to reimburse approximately \$1,184,300 for interpretation services (\$990,000) and meetings-planning services (\$194,300) rendered by the United Nations during that same biennium. The net transfer of resources to UNIDO was thus estimated at \$1,031,000 for the 1986-1987 biennium.

5. In its review of the Secretary-General's proposals, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) expressed its reservations as to the accuracy of the work-load statistics on the basis of which the share of the United Nations (48.8 per cent) in the total cost of translation and documents services was estimated. The Committee thus recommended against including an additional amount of \$2,215,500 under section 29 of the programme budget for the 1986-1987 biennium. Instead, the Committee recommended that a simple system be devised to charge the United Nations for its actual use of the translation and documents services provided by UNIDO. Should it be necessary during the course of the biennium, it was understood that the Secretary-General could request additional resources provided that "such a request should be based on credible statistics of actual experience" (A/40/7/Add.14, para. 14).

II. ACTUAL 1986 EXPERIENCE

6. On the basis of consultations between representatives of UNIDO and the United Nations, a system of identifying and distributing costs incurred in providing the jointly administered conference services at VIC was developed pursuant to the recommendations of ACABQ in this regard. The system so developed took into account the agreement, in principle, between the parties that costs should first be incurred by the organization providing the service and then apportioned to all the organizations benefiting from the service on the basis of the work-load measured. A computer-assisted system was, therefore, developed to record requests for documents services and relate the work-load so generated to the organization from which the request originated.

7. On the basis of 1986 experience, table 3 summarizes the distribution of (a) the actual work-load attributable to the two organizations and the resulting apportionment of the actual expenditures as of 30 September 1986; (b) the total work-load projected for the full period, 1 January to 31 December 1986, and the estimated cost apportionment between the organizations.

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Table 3. Actual and projected apportionment of expenditures related to translation and documents services (1986)

	<u>Actual work-load</u>		<u>Total actual costs</u> \$'000	<u>Share of UNOV</u> \$'000 %	
	<u>UNIDO</u>	<u>UNOV</u>			
(a) Actual as of 30/9/86					
Translation ('000 words)	4 957.6	7 425.2	6 378.0	3 826.8	60.0
Typing ('000 words)	312.6	231.6	72.5	30.9	42.6
Editing ('000 words)	1 401.2	1 760.6	540.8	301.2	55.7
Documents control (printed pages)	189 700.0	78 320.0	201.8	58.9	29.2
Printing (hours logged)	4 497.2	2 484.8	571.3	203.4	35.6
Distribution ('000 units)	1 746.0	1 996.9	474.3	253.3	53.4
Reproduction ('000 page impress.)	511 643.0	319 057.0	78.9	30.3	38.4
Subtotal			<u>8 317.6</u>	<u>4 704.8</u>	<u>56.5</u>
Administrative support			<u>178.9</u>	<u>101.1</u>	<u>56.5</u>
Total actual expenditures			<u>8 496.5</u>	<u>4 805.9</u>	<u>56.5</u>
	<u>Cumulative projected work-load</u>		<u>Total projected costs</u> \$'000	<u>Share of UNOV</u> \$'000 %	
	<u>UNIDO</u>	<u>UNOV</u>			
(b) Projection to 31/12/86					
Translation ('000 words)	5 561.5	9 078.5	7 090.6	4 396.2	62.0
Typing ('000 words)	416.8	308.8	96.6	41.2	42.6
Editing ('000 words)	1 854.9	2 360.8	781.6	437.7	56.0
Documents control (printed pages)	251 224.0	106 136.0	292.4	86.8	29.7
Printing (hours logged)	6 349.0	2 960.0	870.5	276.8	31.8
Distribution ('000 units)	2 270.7	2 719.9	639.5	348.5	54.5
Reproduction ('000 page impress.)	676 744.0	439 856.0	122.8	47.8	38.9
Total documents services	-	-	<u>9 894.0</u>	<u>5 635.0</u>	<u>56.9</u>
Administrative support costs	-	-	<u>282.1</u>	<u>160.7</u>	<u>56.9</u>
Grand total (1986)	-	-	<u>10 176.1</u>	<u>5 795.7</u>	<u>56.9</u>

8. As indicated above (table 3), total actual expenditures (\$8,496,500) as of 30 September 1986 relating to translation and documents services plus projected expenditures for the remaining period (\$1,679,600) ending 31 December 1986 total \$10,176,100 including a total of \$282,100 in administrative support costs. Of this amount, a total of \$5,795,700 is apportioned to the United Nations on the basis of work-load statistics for 1986 against a total of \$3,888,500 appropriated for that year (table 2).

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III. REVISED REQUIREMENTS (1986-1987)

9. The appropriations for conference services at Vienna were initially estimated assuming an exchange rate of 17.70 Austrian schillings to the United States dollar and annual inflation rate of 4 per cent. In order to allow for a meaningful comparison, actual requirements for 1986 and projected requirements for 1987 must be re-calculated at the same rates. The financial impact of the changes due to fluctuations in the currency exchange and inflation rates will be addressed in the context of the first performance report.

10. On the basis of the work-load statistics available for 1986, it is estimated that total 1986 requirements relating to the share of the United Nations in translation and documents service amount to \$5,795,700 and would have amounted to \$5,016,400 had the currency exchange and inflation rates assumed in the initial budget appropriations prevailed for 1986. With respect to projections relating to 1987 requirements, it should first be noted that the work-load statistics on which the 1986 actual and projected expenditures are based include non-recurrent meetings serviced at VIC which account for approximately 30 per cent of the total work-load relating to translation and editing services provided by UNIDO. Thus, based on actual 1986 expenditures, recurrent expenditures for 1987 are estimated at \$4,057,000 and would have amounted to \$3,652,400 at the initial appropriations currency exchange and inflation rates. Total 1986-1987 requirements thus estimated amount to \$9,852,700 or the equivalent of \$8,668,800 at the initial appropriations rates. Given the appropriation of \$7,885,700, a provision of \$783,100 is required, therefore, to bring the United Nations budgeted resources in line with actual requirements (at initial rates).

Table 4. Estimated 1986 translation/documents services requirements

(in thousands of United States dollars)

	<u>1986 expenditures a/</u>		<u>1987 expenditures b/</u>	
	<u>Current rates</u>	<u>Initial rates</u>	<u>Current rates</u>	<u>Initial rates</u>
	(1)	(2)	(3)	(4)
<u>(a) Estimated requirements</u>				
Translation	4 396.2	3 805.1	3 077.3	2 770.5
Editing	437.7	378.8	306.4	275.9
Typing	41.2	35.7	28.8	25.9
Documents control	86.8	75.1	60.8	54.7
Printing and reproduction	324.6	281.0	227.2	204.5
Distribution	348.5	301.6	244.0	219.6
Administrative support	160.7	139.1	112.5	101.3
Total	<u>5 795.7</u>	<u>5 016.4</u>	<u>4 057.0</u>	<u>3 652.4</u>

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(b) Estimated shortfall (at initial rates)

	<u>1986-1987</u> <u>appropriations</u> (5)	<u>Estimated</u> <u>requirements</u> (2) + (4))	<u>Over/(under)</u> <u>appropriation</u>
Translation	6 678.2	6 575.6	102.6
Editing	47.8	654.7	(606.9)
Typing	71.3	61.6	9.7
Documents control	228.9	129.8	99.1
Printing and reproduction	320.2	485.5	(165.3)
Distribution	539.3	521.2	18.1
Administrative support	<u>-</u>	<u>240.4</u>	<u>(240.4)</u>
Net requirement	<u>7 885.7</u>	<u>8 668.8</u>	<u>(783.1)</u>

a/ Estimates include both recurrent and non-recurrent meetings.

b/ Estimates include recurrent meetings only.

11. The non-recurrent portion of conference-servicing requirements has traditionally been estimated in the context of the consolidated statement of financial implications statements submitted at the end of each General Assembly session. It will be recalled, however, that in the context of the consolidated statements submitted to the fortieth session of the General Assembly with respect to 1986 requirements, the Secretary-General indicated that additional requirements for Vienna were difficult to determine with any accuracy at that time considering that the modalities for reimbursing UNIDO for its services were yet to be worked out as recommended by ACABQ (A/C.5/40/92, para. 23). Under the circumstances, no provision was made for Vienna in the consolidated statement of conference-servicing requirements for 1986. The net additional requirements (\$783,100) for translation and documents services as estimated above relate, therefore, to (i) estimated recurrent and non-recurrent expenditures for 1986 and (ii) estimated recurrent expenditures for 1987. With respect to non-recurrent requirements for 1987, the Secretary-General will present the relevant estimates in the context of the consolidated statement to be submitted to the current session of the General Assembly.

12. In summary, therefore, it is estimated that additional resources totalling \$783,100 for the 1986-1987 biennium under section 29B.5 (Conference Services, Vienna) would be required as a contribution to jointly-financed activities.
