



# General Assembly

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Agenda item 148

### Financing of the International Residual Mechanism for Criminal Tribunals

## **Revised estimates for the International Residual Mechanism for Criminal Tribunals: effect of changes in rates of exchange and inflation**

### **Report of the Secretary-General**

#### *Summary*

In accordance with established practice, the proposed budget is recosted prior to its adoption by the General Assembly. A preliminary recosting is reflected in the proposed budget for the International Residual Mechanism for Criminal Tribunals for 2022 ([A/76/411](#)).

The present report contains an update of the rates assumed earlier in 2021 in the context of the proposed budget for 2022 regarding inflation. It also contains an update of the rates of exchange between the United States dollar and other currencies, standard costs for salaries and common staff costs, and vacancy rates. The updated rates were obtained in December 2021 and supersede the rates used in the proposed programme budget, which had been obtained in December 2020.

The preliminary recosting, which took into consideration projections for inflation for 2022, amounted to \$1.6 million. In the present report, all four recosting parameters are updated. The effects of updating the recosting parameters would amount to a reduction of \$1.6 million, or a reduction of \$3.2 million compared with the preliminary estimate of an increase of \$1.6 million included in the proposed budget. The decrease mainly reflects the strengthening of the United States dollar vis-à-vis the euro, and adjustments to standard costs.



## I. Introduction

1. In accordance with established practice, the proposed budget for 2022 contained in the report of the Secretary-General (A/76/411) is presented at the same price levels and rates of exchange as the budget for 2021. The effect of the changes in those parameters is isolated and presented in a separate column entitled "Recosting" in the proposed budget for 2022 (ibid., table 13) to provide Member States with an indication of the effects of inflation.

2. The present report is submitted to provide the General Assembly with an update on the effects of changes in inflation, rates of exchange and other recosting parameters assumed in the initial proposed budget for 2022. By applying the rates known in December 2021, the Assembly, in determining the appropriation for 2022, can reflect the effects of the most recent recosting parameters available in the proposed budget.

3. Because of a timing issue, the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the proposed budget for 2022 are not reflected in the present report. This is, however, without prejudice to decisions yet to be made further to any recommendations by the Advisory Committee.

4. Table 1 shows a summary of the recosting effects.

Table 1  
**Effects of revised estimates for 2022**

(Thousands of United States dollars)

	2022 estimates (before preliminary recosting)	Recosting					2022 estimates (after recosting)
		Exchange rate	Inflation	Standard salary costs	Vacancy rate	Total recosting	
	(1)	(2)	(3)	(4)	(5)	(6)=(2+3+4+5)	(7)=(1+6)
Initial proposal	93 970.3	–	1 637.5	–	–	1 637.5	95 607.8
Revised estimates	93 970.3	(1 809.0)	3 558.7	(2 891.4)	(410.5)	(1 552.2)	92 418.1
<b>Net change</b>	<b>–</b>	<b>(1 809.0)</b>	<b>1 921.2</b>	<b>(2 891.4)</b>	<b>(410.5)</b>	<b>(3 189.7)</b>	<b>(3 189.7)</b>

5. An explanation of the variations in the costing parameters assumed in the calculation of the appropriation is provided in section II.A–D below. Schedules I–III (see annex) provide the costing parameters used in the present report, as follows:

(a) Schedule I: effects of updated rates of exchange relative to the United States dollar and effects of updated annual inflation rates (consumer price indices);

(b) Schedule II: post adjustment multipliers and annual cost-of-living adjustments;

(c) Schedule III: average vacancy rates.

## II. Revised estimates

### A. Revised estimates due to changes in exchange rates (net decrease of \$1.8 million)

6. In line with section IX of General Assembly resolution 69/274, a forward rate of exchange as of November 2021 has been used as the basis for recosting for the euro and the Tanzanian shilling.

7. Exchange rate fluctuations reflect a net decrease of \$1.8 million owing to the strengthening of the United States dollar against the euro (0.83 assumed in the proposed budget vs. 0.883) that is offset in part by the weakening of the United States dollar against the Tanzanian shilling (2,323.97 assumed in the proposed budget vs. 2,309.98).

8. Table 2 shows the distribution of the budget consumption by currency. The information takes into account the actual experience of currency use from November 2018 to October 2021. Table 3 shows the related exchange rate effect of various currencies relative to the United States dollar as provided in the proposed budget and the present revised estimates for 2022.

Table 2

**Distribution of post and non-post resources in the proposed budget for 2022, by currency**

(Thousands of United States dollars)

Currency	2022 estimates (before preliminary recosting)						Total, recosting effect	2022 estimates (after recosting)
	Posts	Percentage	Non-post	Percentage	Total, posts and non-post	Percentage		
Euro	8 355.2	34.9	26 191.5	37.4	34 546.7	36.8	(2 607.7)	31 939.0
Tanzanian shilling	14 776.8	61.8	1 644.9	2.3	16 421.7	17.5	(1 266.3)	15 155.4
United States dollar	178.3	0.7	42 146.5	60.2	42 324.8	45.0	2 281.6	44 606.4
Other	596.4	2.5	80.7	0.1	677.1	0.7	40.2	717.3
<b>Total</b>	<b>23 906.7</b>	<b>100.0</b>	<b>70 063.6</b>	<b>100.0</b>	<b>93 970.3</b>	<b>100.0</b>	<b>(1 552.2)</b>	<b>92 418.1</b>

Table 3

**Effect of various currencies relative to the United States dollar as provided in the proposed budget and the present revised estimates for 2022, by currency**

(Thousands of United States dollars)

Location/zone	2022 estimates (before preliminary recosting)	Rate of exchange effect
Euro zone	34 546.7	(1 834.3)
United Republic of Tanzania	16 421.7	35.1
United States of America	42 324.8	—
Other	677.1	(9.8)
<b>Total</b>	<b>93 970.3</b>	<b>(1 809.0)</b>

**B. Revised estimates due to changes in inflation (net increase of \$3.6 million)**

9. Updated inflation projections reflect the combined effect of three elements: post adjustment for staff in the Professional and higher categories; cost-of-living adjustments for staff in the General Service and related categories; and updated consumer price indices for non-post objects of expenditure.

10. For staff in the Professional and higher categories, adjustments to the post adjustment multiplier are affected mainly by changes in inflation and exchange rates. Updated projections for post adjustments are shown in schedule II and have been calculated in consultation with the International Civil Service Commission. Further information on post adjustment multipliers was provided in the report of the Commission for the year 2021 ([A/76/30](#)).

11. Changes in salaries for staff in the General Service and related categories and non-post resources are attributable to updated projected rates of inflation relative to those originally estimated, as reflected in schedules I and II.

12. The revised estimates due to changes in inflation resulted in a net increase of \$3.6 million. The increase predominantly reflects a higher-than-budgeted post adjustment multiplier and cost-of-living adjustments for the United Republic of Tanzania and the United States of America. Under non-post resources, the increase reflects higher inflation projections for the United Republic of Tanzania and the United States.

13. Table 4 shows the distribution of the budget consumption by currency and the related inflation effect.

Table 4

**Inflation effect in various locations/zones in the proposed budget and the present revised estimates for 2022**

(Thousands of United States dollars)

<i>Location/zone</i>	<i>2022 estimates (before preliminary recosting)</i>	<i>Inflation effect</i>
Euro zone	34 546.7	587.2
United Republic of Tanzania	16 421.7	594.0
United States of America	42 324.8	2 356.7
Other	677.1	20.8
<b>Total</b>	<b>93 970.3</b>	<b>3 558.7</b>

**C. Revised estimates due to changes in standard costs (net decrease of \$2.9 million)**

14. Adjustments to standard costs reflect the net effect of changes in standard salary costs, staff assessment and common staff costs, which relate to allowances and benefits, appointments, transfers and separations of staff.

15. Revisions to standard salary costs for 2022, including staff assessment, are based on the latest payroll experience of October 2021, by location and post category.

16. Revisions to the common staff costs follow the approach for the regular budget, in which the provisions for one of the common staff benefits (pension contribution) are calculated on the basis of a percentage of pensionable remuneration, and the calculation of provisions for all other benefits is based on a per-person

17. The revised estimates due to standard cost adjustments resulted in a net decrease of \$2.9 million, primarily as a result of lower common staff cost standards.

**D. Revised estimates due to changes in vacancy rates (net decrease of \$0.4 million)**

18. Schedule III shows the comparison of the approved vacancy rates for 2022 pursuant to General Assembly resolution 75/249 for continuing temporary posts in the Professional and higher categories and the General Service and related categories.

19. A revision of the vacancy rates for continuing posts is proposed in line with the average realized vacancy rates for 2021 as of the end of October 2021 and reflected in schedule III. The impact of vacancy rate adjustments for continuing posts would result in a decrease of \$410,500, owing to the higher vacancy rates for both the Professional and higher categories in the Hague, Arusha and New York and the General Service and related categories in Arusha.

## Annex

## Schedules

## Schedule I

**Effects of updated rates of exchange relative to the United States dollar and effects of updated annual inflation rates (consumer price indices)**

(Percentage)

Duty station	Currency	Rate of exchange				Average annual rate of inflation			
		Proposed budget		Revised estimates		Proposed budget		Revised estimates	
		2021	2022	2021	2022	2021	2022	2021	2022
The Hague	Euro	0.83	0.83	0.83	0.883	1.2	1.4	1.9	1.4
Arusha	Tanzanian shilling	2 323.97	2 323.97	2 323.97	2 309.98	4.3	4.7	3.6	4.3
New York	United States dollar	1.00	1.00	1.00	1.00	1.5	2.0	4.4	3.2

## Schedule II

**Post adjustment multipliers and annual cost-of-living adjustments**

(Percentage)

Duty station	Post adjustment multiplier (Professional and higher categories)				Cost-of-living adjustment (General Service and related categories)				
					Revised estimates				
	Proposed budget		Revised estimates		Proposed budget		General Service	National Professional Officer	General Service and National Professional Officer
	2021	2022	2021	2022	2021	2022	2021	2022	2022
The Hague	49	49	49	40.3	1.2	1.4	—	—	1.4
Arusha	42	45.2	42	45.1	4.3	4.7	13.0	—	4.3
New York	68.7	71.1	68.7	69.1	1.5	2.0	1.3	—	3.2

## Schedule III

**Average vacancy rates**

Duty station	Proposed budget 2021		Revised estimates <sup>a</sup>	
	Professional and higher categories	General Service and related categories	Professional and higher categories	General Service and related categories
The Hague	0.1	0.3	0.9	—
Arusha	0.9	0.2	2.8	1.3
New York	—	—	40.5	—

<sup>a</sup> Based on average vacancy rates from January to October 2021.