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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 Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the Secretary-General entitled “Revised estimates for the International Residual Mechanism for Criminal Tribunals: effect of changes in rates of exchange and inflation” ([A/76/594](#)). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General and received additional information and clarification dated 14 December 2021.
2. The report of the Secretary-General provides an update on the effects of changes in inflation, rates of exchange between the United States dollar and other currencies, standard costs for salaries and common staff costs, and vacancy rates on the proposed budget of the Mechanism for 2022. The updated rates were obtained in December 2021.
3. The Secretary-General indicates that, because of a timing issue, the recommendations of the Advisory Committee on the proposed budget of the Mechanism for 2022 are not reflected in his report, without prejudice to related decisions yet to be made (*ibid.*, para. 3). The Committee was informed, upon enquiry, that the impact of applying the adjustments recommended by the Committee to the recosting of the initial budget proposal, as well as the revised estimates, would be presented to the General Assembly. **The Advisory Committee trusts that the Secretary-General will provide this information to the General Assembly at the time of its consideration of the present report.**
4. In his report, the Secretary-General indicates that the effect of updating the recosting parameters would amount to a reduction of \$1,552,200, or a reduction of \$3,189,700 compared with the preliminary estimate of an increase of \$1,637,500 included in the proposed budget of the Mechanism for 2022, mainly reflecting the strengthening of the United States dollar vis-à-vis the euro, and adjustments to standard costs. Specifically, the revised estimates show decreases related to:
(a) exchange rates, in the amount of \$1,809,000, mainly owing to the strengthening



of the United States dollar against the euro; (b) standard salary cost adjustments, amounting to \$2,891,400, primarily owing to lower common staff cost standards; and (c) vacancy rate adjustments for continuing posts, in the amount 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. The decreases are offset in part by a net increase of \$3,558,700 related to changes in inflation, mainly reflecting a higher-than-budgeted post adjustment multiplier and cost-of-living adjustments for the United Republic of Tanzania and the United States of America, as well as higher inflation projections under non-post resources for those countries. Upon enquiry, the Advisory Committee received the table below providing a breakdown of the changes related to inflation.

Breakdown of changes related to inflation

(United States dollars)

<i>Posts (including staff assessment)</i>	<i>Location</i>	<i>Inflation amount</i>	<i>Comments</i>
International	The Hague	(166 100)	Reflects reduction in post adjustment multiplier rates for posts in The Hague from 49.3 to 40.3 per cent
	United Republic of Tanzania	400 100	Reflects increase in post adjustment multiplier rates for posts in the United Republic of Tanzania from 42 to 45.1 per cent
	New York	2 100	Reflects increase in post adjustment multiplier rates for New York from 68.7 to 69.1 per cent for 1 post in New York
	Other	26 300	Reflects increase in post adjustment multiplier rates for Rwanda from 28.3 to 34.2 per cent
Subtotal		262 400	
Local	The Hague	166 400	Reflects compounded effect of cost-of-living-adjustment rate of 1.4 per cent for The Hague in 2022
	United Republic of Tanzania	161 000	Reflects the cost-of-living-adjustment rate of 4.3 per cent for the United Republic of Tanzania in 2022. For 2021, there was a cost-of-living adjustment to the salary scale of 13 per cent effective November 2020.
	Other	(6 000)	While the 2021 projection included a 10.3 per cent cost-of-living adjustment for Rwanda, the actual rate was zero.
Subtotal		321 400	
Total, posts and related staff assessment		583 800	

<i>Non-posts</i>	<i>Currency</i>	<i>Inflation amount</i>	<i>Comments</i>
	Euro	586 900	Reflects compounded inflation rate, where the actual rate for 2021 of 1.9 per cent is higher than what was projected in 2021 of 1.2 per cent
	Tanzanian shilling	32 900	Reflects the increase in staff assessment, mainly as a result of the increase in net base salary for international and local staff.
	United States dollar	2 354 600	Reflects compounded inflation rate, where the actual rate for 2021 of 4.4 per cent is higher than what was projected in 2021 of 1.5 per cent. Against the increased base amount for 2021, the higher inflation rate of 3.2 per cent is applied for 2022 compared with the rate of 2.0 included in the proposed budget. As the majority of the non-posts are expensed in United States dollars (60.2 per cent), the impact of the inflation associated with the currency expensed is higher.

<i>Non-posts</i>	<i>Currency</i>	<i>Inflation amount</i>	<i>Comments</i>
	Other	500	Reflects the increase in staff assessment, mainly as a result of the increase in net base salary for international posts in Rwanda as a result of the consolidation of post adjustment points, which is partially offset by the reduction in net base salary for local staff as a result of a lower actual 2021 cost-of-living adjustment.
Total, non-posts		2 974 900	
Grand total		3 558 700	

5. **The Advisory Committee trusts that the breakdown of the changes related to inflation, along with the justifications, will be provided in the next report.** The Committee discusses related matters, including with respect to the recosting methodology, in its report on the effect of changes in rates of exchange and inflation ([A/76/7/Add.32](#)).