



General Assembly

Distr.  
GENERAL

A/42/225  
20 April 1987

ORIGINAL: ENGLISH

Forty-second session  
Item 41 of the preliminary list\*

REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND  
FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Questions relating to the programme budget: inflation and currency  
fluctuation, and the level of the contingency fund

Report of the Secretary-General

1. The present report is submitted in pursuance of annex I, paragraph 10, of General Assembly resolution 41/213 of 19 December 1986, which states:

"A comprehensive solution to the problem of all additional expenditures, including those deriving from inflation and currency fluctuation, is also necessary. It is desirable to accommodate these expenditures, within the overall level of the budget, either as a reserve or as a separate part of the contingency fund set up in paragraph 8 above. The Secretary-General should examine all aspects related to the question and report, through the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Co-ordination, to the General Assembly at its forty-second session."

The report also addresses the question of the contingency fund, which, under the new budget process and in accordance with paragraph 8 of the same annex, will be included in the programme budget to accommodate additional expenditures derived from legislative mandates not provided for in the proposed programme budget or from revised estimates excluding those relating to unforeseen and extraordinary expenses and those relating to fluctuations in the rates of inflation and exchange. In this connection, a procedure that could be followed for the administration of such a fund is outlined, and a level that might be appropriate for the forthcoming biennium is proposed.

\* A/42/50.

2. The circumstances that give rise to adjustments in the level of resources submitted by the Secretary-General in his proposed programme budget - adjustments that usually, but not always, tend to be additions - and the stages at which such adjustments are made are outlined in the following paragraphs.

#### I. NATURE AND LEVEL OF ADJUSTMENTS IN CURRENT AND PREVIOUS PROGRAMME BUDGETS

3. The Secretary-General submits his proposed programme budget in April of the year preceding the beginning of a biennial period (e.g., in April 1985 for the biennium 1986-1987). The proposed programme budget lists the activities that would be covered and the services that would be provided during the biennium, together with estimates of the financial resources required. The proposed programme budget also contains a provision for inflation but makes no provision for currency fluctuations. Provision for inflation is made on the basis of the best assumptions available at the time of the preparation of the proposed programme budget regarding cost increases, where anticipated, in respect of non-salary-related items, and of standard cost parameters, that is, salaries of the General Service and related categories, post adjustments of the Professional and higher categories and the related common staff costs. No provision is made for the effects of movements of rates of exchange in view of the unpredictable nature of currency fluctuations. The rates of exchange used for converting, into United States dollars, anticipated expenditures in other currencies are those that had been approved by the General Assembly on the basis of the first programme budget performance report for the previous biennium.

4. The proposed programme budget is reviewed first by the Committee for Programme and Co-ordination and the Advisory Committee on Administrative and Budgetary Questions and subsequently by the Fifth Committee. Consideration of the proposed programme budget by the Fifth Committee begins with a general debate, during which Member States have an opportunity to express their views on the programme budget as a whole and on such issues as the overall level of resources and the overall policies established by the Secretary-General. The Committee then proceeds to an examination of the budget section by section and, taking into consideration the estimates proposed by the Secretary-General and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions and the Committee for Programme and Co-ordination, approves an amount of resources for each section. This section-by-section review and approval is commonly referred to as the "first reading".

5. The Committee also considers and takes action on a number of reports that require changes in the level of resources approved on first reading. These reports may be broken down into the following categories:

(a) Statements of the programme budget implications of draft resolutions, that is, activities being considered directly by the plenary or on the recommendation of a Main Committee, for which resources were not included in the proposed programme budget and which, if approved, would require additional resources;

(b) Revised estimates submitted by the Secretary-General relating to:  
(i) items not included in the proposed programme budget owing to the unavailability of information at the time of the preparation of the proposed programme budget;  
(ii) items that were included in the proposed programme budget but were not acted on at first reading pending submission of further information; and  
(iii) developments that took place after the preparation of the proposed programme budget;

(c) The consolidated statement of conference-servicing costs: that is, during the course of a session of the General Assembly, in the consideration of draft resolutions that call for the convening of meetings not provided for in the proposed programme budget, statements of programme budget implications are submitted in which the conference-servicing costs for additional conference activities are provided for on the basis of full costing, that is, on the assumption that no part of the conference-servicing requirements would be met from existing resources; such statements do not, however, contain a request for additional resources in respect of these costs; instead, an indication is provided that towards the close of the session, a consolidated statement would be prepared, outlining the net financial impact of the various additional conference activities requested during the session in the context of the overall conference-servicing work-load for the following year, and the related additional resources would be requested;

(d) The recosting of the resources approved on first reading and of subsequent adjustments, based on the latest available operational rates of exchange, the latest information regarding rates of inflation and adjustments to standard costs.

6. Prior to this consideration by the Fifth Committee, the reports enumerated in paragraph 5 above are examined by the Advisory Committee on Administrative and Budgetary Questions, which submits its recommendations to the Fifth Committee.

7. The amounts approved on first reading, to which are added the adjustments approved under (a), (b), (c) and (d), are approved on second reading and become the initial appropriations that the General Assembly approves for the biennium.

8. When approving the initial appropriations, the General Assembly also makes provision, by a separate resolution, for unforeseen and extraordinary expenses that may arise at some point in the biennium when the Assembly is not in session. This resolution spells out the conditions under which the Secretary-General may enter into commitments in the biennium to meet unforeseen and extraordinary expenses arising either during or subsequent to that biennium.

9. The initial appropriations voted by the General Assembly, in the year immediately preceding the biennial budget period, are revised at the end of the first year of the biennial period. At the session falling in the first year of the biennial period, the Fifth Committee considers and takes actions on:

(a) statements of programme budget implications; (b) revised estimates; (c) the consolidated statement of conference-servicing costs; and (d) the first performance report.

10. The first performance report outlines the adjustments required to the initial appropriations as a result of: (a) changes in rates of exchange and inflation and adjustments to standard costs; (b) unforeseen and extraordinary expenses incurred; and (c) other changes (adjustments deemed unavoidable and, to a large extent, of a non-recurrent nature) that, for all intents and purposes, constitute a form of revised estimates. Adjustments (increases or decreases) to standard costing parameters used for calculating salary and common staff costs provisions, consisting of average payroll charges by grade and duty station, turnover rates and common staff costs rates as a percentage of salaries, formerly were included under the heading of inflation. Since the biennium 1984-1985, they have been separately identified in performance reports as part of continuing efforts to refine the elaboration of standard costs and in order to provide greater transparency. Though separately identified, they remain inflationary in nature.

11. Adjustments are also made to the programme budget implications and revised estimates on the basis of changes in rates of exchange and inflation and adjustments to standard costs approved in the context of the first performance report.

12. The initial appropriations approved by the General Assembly, as modified by adjustments approved in respect of the statements of programme budget implications, the revised estimates, the consolidated statement of conference-servicing costs, the first performance report and the recosting, are then approved by the Fifth Committee and become the revised appropriations that are submitted to the General Assembly for approval.

13. Prior to this consideration by the Fifth Committee, the reports enumerated above are examined by the Advisory Committee on Administrative and Budgetary Questions, which submits its recommendations to the Fifth Committee.

14. During the second year of the biennium, the second performance report is submitted and reviewed by the Fifth Committee. The second performance report lists the adjustments proposed in respect of: (a) changes in rates of exchange and inflation and adjustments to standard costs; (b) any unforeseen and extraordinary expenses that may have been incurred; and (c) an assessment of the resources actually required on the basis of expenditure incurred during the first 18 months of the biennium. The adjustments approved by the Fifth Committee are submitted to the General Assembly and become the final appropriations for the biennium.

15. Prior to this consideration by the Fifth Committee, the reports enumerated above are examined by the Advisory Committee on Administrative and Budgetary Questions, which submits its recommendations to the Fifth Committee.

16. Adjustments to the proposed programme budget as submitted by the Secretary-General are therefore made at three points in the biennial cycle: (a) prior to its adoption and the beginning of the biennium; (b) at the end of the first year of the biennium; and (c) at the end of the second and final year of the biennium. The estimates contained in the proposed programme budget for the biennium, together with the subsequent adjustments resulting from the procedure

described in the preceding paragraphs, are outlined in annex I, covering the bienniums 1980-1981, 1982-1983 and 1984-1985 and up to the first year of the biennium 1986-1987.

17. These adjustments can also be broken down into seven categories: (a) adjustments made at the time of the first reading; (b) those resulting from the statements of programme budget implications; (c) those resulting from the consolidated statement of conference-servicing costs; (d) those resulting from revised estimates; (e) those resulting from unforeseen and extraordinary expenses; (f) those resulting from changes in the rates of inflation and exchange and adjustments to standard costs; and (g) those resulting from a reassessment, towards the end of the biennium, of the level of appropriations required. Annex II provides a breakdown of the level of resources resulting from such adjustments on a biennial basis, both in dollar terms and as a percentage of the proposed programme budget in respect of the last three bienniums for which complete data are available, namely 1980-1981, 1982-1983 and 1984-1985. Partial information relating to the current biennium is also provided.

#### Adjustments made at first reading

18. Adjustments made at first reading invariably result in reductions of the proposed programme budget submitted by the Secretary-General. This is due to the fact that the reductions recommended by the Advisory Committee on Administrative and Budgetary Questions following its examination of the proposed programme budget tend to be accepted by the Fifth Committee. These reductions fall into three broad categories:

(a) The resources requested are not sufficiently justified and/or stricter controls and more efficient management could lead to economies; for example, in the consideration of the proposed programme budget for the biennium 1984-1985, the resources requested for the Department of International Economic and Social Affairs in respect of consultants and ad hoc expert groups were reduced by \$134,900, on the basis of a review of expenditure patterns in previous years - a reduction that had been recommended by the Advisory Committee on Administrative and Budgetary Questions in its report - 1/ and those required for utilities at the Vienna International Centre were reduced by \$330,800 on the basis of the recommendation of the Advisory Committee on Administrative and Budgetary Questions, 2/ as economies were felt possible with strict monitoring of consumption;

(b) The costing parameters on which the estimates were based need to be modified; for example, the estimates in respect of Professional posts at the Economic and Social Commission for Asia and the Pacific (ESCAP) in the proposed programme budget for the biennium 1984-1985 were based on the assumption of a turnover deduction of 5 per cent; in the light of the vacancy rate then prevailing at ESCAP, the Advisory Committee on Administrative and Budgetary Questions recommended that the turnover deduction should be increased from 5 per cent to 8 per cent; 3/ acceptance of this recommendation resulted in a reduction of \$613,200 in the estimates proposed for ESCAP;

(c) A review of the estimates needs to be deferred pending the submission of further information; for example, in the context of the proposed programme budget for the biennium 1984-1985, the resources requested for the continuation of activities in the field of population at the regional level, \$711,400, were not acted on at first reading pending the submission of a report by the Secretary-General on alternative courses of action to enable the continuation of such activities. 4/

19. Reductions effected under (a) above are not normally the subject of further requests in the course of the biennium. Those effected under (b) may be adjusted in the context of the performance reports, should experience in the course of the biennium so warrant. Those effected under (c) are usually temporary in nature and are reconsidered during the biennium on the basis of further reports, and resources subsequently approved are treated as revised estimates. To the extent that these revised estimates do not exceed the level of resources that was initially included in the proposed programme budget but not considered on first reading, they may not be termed additional expenditures.

#### Programme budget implications

20. Activities that give rise to programme budget implications tend to vary from year to year, except for a core of such activities that have become known as "perennials"; "perennials" are characterized by the fact that they are primarily of a political nature and their mandates are renewed by the General Assembly on an annual basis. Annex III contains a list of resources added to the programme budget as a result of the consideration of programme budget implications, broken down by biennium, General Assembly session and three main functional categories:

(a) perennials; (b) special conferences, international years and anniversaries and decades, including preparatory and follow-up work; and (c) other activities that do not fit into either of the first two categories.

21. On a biennial basis, the overall amount of resources added is a result of the consideration of statements of programme budget implications declined both in dollar terms and as a percentage of the resources contained in the proposed programme budget. There has, however, been a significant shift among the three categories, with the "perennials" assuming an ever-increasing share of the resources added as a result of the consideration of statements of programme budget implications, as may be seen in annex IV.

#### The consolidated statement of conference-servicing costs

22. The amounts added through the consolidated statement are a reflection of the meetings added to the "regular" calendar of conferences through legislative action. There have been sizeable variations in the amounts so added and the tendency has been towards a reduction over the last three bienniums.

#### Revised estimates

23. The subjects covered through revised estimates and the amount of resources added as a result of consideration of revised estimates are outlined in annex V.

They are so varied that they do not lend themselves to any sort of meaningful classification. The only revised estimates recurring with regularity are those resulting from decisions of the Economic and Social Council.

#### Unforeseen and extraordinary expenses

24. The amount of resources added as a result of the provisions contained in the resolutions concerning unforeseen and extraordinary expenses has always been modest. Such expenses do not sizeably affect the level of resources, and they constitute a mechanism that has proven its essential value over the years.

#### Currency, inflation and standard costs adjustments

25. Adjustments falling in this category have the largest impact on the level of the budget, as may be seen in annex II. Unlike those resulting from programme budget implications, the consolidated statement, revised estimates or unforeseen and extraordinary expenses, they do not have a programmatic basis and do not affect the scope or content of the activities contained in the programme budget. They are technical adjustments reflecting the revised level of resources (be it an increase or a decrease) necessary to maintain the approved level of programmatic activities.

#### Changes arising from a reassessment, toward the end of the biennium, of the level of appropriations

26. This category consists of the residual amounts contained in the performance report submitted at the end of the biennium, that is, those which do not result from changes in rates of exchange and inflation or from unforeseen and extraordinary expenses but are due to factors that have turned out to be different from those anticipated in the programme budget. Examples are the reduction of \$356,100 in the biennium 1984-1985 because fewer members than anticipated took part in the sessions of the International Law Commission and the reduction of \$64,900 in respect of the Trusteeship Council in the same biennium because only one mission was dispatched to the Trust Territory of the Pacific Islands rather than the two missions usually carried out by the Council during a biennium.

## II. THE NEW BUDGET PROCESS

#### The contingency fund

27. Paragraph 8 of annex I of General Assembly resolution 41/213 provides that the programme budget shall include a contingency fund expressed as a percentage of the overall budget level, to accommodate additional expenditures relating to the biennium derived from legislative mandates not provided for in the proposed programme budget or from revised estimates, excluding those arising from the impact of extraordinary expenses and from fluctuations in rates of exchange and inflation. Paragraph 9 of the annex provides that if additional expenditures, as defined in paragraph 8, are proposed that exceed resources available within the contingency fund, such additional expenditures can only be included in the budget through redeployment of resources from low-priority areas or modifications of existing activities. Otherwise, they will have to be deferred to a later biennium.

28. In terms of practical application, it is envisaged that the fund would be utilized to provide for additional resources that may be required as a result of the consideration of statements of programme budget implications and revised estimates as defined in paragraph 8 of annex I of General Assembly resolution 41/213, in the year preceding the biennium and in the first year of the biennium. As regards revised estimates dealing with activities that had been included in the proposed programme budget but were not acted on at first reading pending the submission of additional information, it would seem reasonable that only the amount requested over and above that included in the proposed programme budget, if any, should be met from the contingency fund.

29. The fund would not be used to meet unforeseen and extraordinary expenses covered by the resolution on unforeseen and extraordinary expenses adopted each biennium; such expenses would continue to be dealt with as heretofore. It would also not be necessary to appropriate resources for the contingency fund. General Assembly action that would seem to be required in respect of the fund would be as follows:

(a) In the off-budget year (i.e., in 1988 for the biennium 1990-1991), the Assembly would decide on the size of the fund in accordance with the provisions of annex I of General Assembly resolution 41/213;

(b) During the budget year (i.e., in 1989 for the biennium 1990-1991), the Assembly would decide on the actual amounts to be utilized from the fund on the basis of statements of programme budget implications and revised estimates approved during the session and would appropriate such amounts in the context of the initial appropriations under the relevant sections for which they would be required;

(c) The balance of the fund, that is, the difference between the amount originally approved for the contingency fund under (a) above and the amounts approved in the context of the initial appropriations under (b), would be available to accommodate additional expenditures that might arise during the next session of the General Assembly (i.e., in 1990 for the biennium 1990-1991);

(d) At that session, the Assembly would decide on the further amounts to be utilized from the fund for the second year of the biennium, subject to the availability of resources remaining in the fund, on the basis of statements of programme budget implications and revised estimates approved during that session and would appropriate such amounts under the relevant sections for which they would be required;

(e) Should expenditures be proposed that would exceed resources available in the fund, the provisions of annex I, paragraph 9, of General Assembly resolution 41/213 would be applied;

(f) Any unutilized balance would, following the approval of the revised appropriations, be cancelled.

30. As regards the level of such a fund, a review of additional expenditures that have arisen over the last few bienniums reveals no common factors from biennium to



biennium that would permit the establishment of a contingency fund on an historical basis, except that the types of activities that are now to be provided for through the contingency fund have always led to additional expenditures. The inclusion of resources for "perennials" and the introduction of full budgeting for conference-servicing costs in the future proposed programme budget should, to some extent, reduce the need for additional expenditures.

31. As pointed out in paragraph 21 above and as may be seen in annexes III and IV, there has been a downward trend in the amount of additional resources obtained through programme budget implications, with a sharp reduction in the current biennium due to the fact that the number of programme budget implications, other than those relating to "perennials", decreased from 23 in respect of the 1984-1985 biennium to four in respect of the current biennium, including none at the forty-first session of the General Assembly, and the related additional expenditures declined from \$12.4 million to \$1.9 million.

32. With regard to conference-servicing costs, it should prove possible to obviate the need for an annual consolidated statement and for additional expenditures to be met from the contingency fund by providing in the proposed programme budget an amount of resources sufficient to cover the costs not only of meetings known at the time of budget preparation but also of meetings that would be subsequently authorized. Such a provision has been made in the proposed programme budget for the biennium 1988-1989, and it can reasonably be assumed that the resources would be sufficient to enable the Organization to service a number of meetings and conferences consistent with the pattern of meetings and conferences over the past five years. At the same time, indications of meeting costs at full costs, where applicable, will continue to be provided, for information purposes, in statements of the programme budget implications of draft resolutions submitted to the General Assembly and the Economic and Social Council; information will also continue to be conveyed to the Committee on Conferences when it considers changes in the calendar of conferences.

33. As regards revised estimates, no discernible trends can be identified. While biennial comparisons may point to a downward trend (see annex II), the amount of additional expenditures arising from revised estimates in 1986-1987, namely \$12,389,200, is misleading. This amount includes, as may be seen from annex V, a reduction of \$38,759,200 resulting from the separation of the United Nations Industrial Development Organization; it also includes additional expenditures resulting from revised estimates in respect of the Department of Administration and Management, \$23,253,800, of which only \$266,600 can be termed additional expenditures, as the balance of \$22,987,200 was included in the proposed programme budget but not acted upon at first reading.

34. Past experience in respect of programme budget implications and revised estimates, while useful, cannot be used as the basis for determining the level of the contingency fund. The establishment of such a level cannot be done on a scientific basis and must, in the final analysis, be judgmental. As regards the forthcoming biennium for which preparations are under way, the new budget process will not be followed in its entirety, in view of the date of its adoption. Nevertheless, it would seem desirable to establish a contingency fund. The

proposed programme budget for 1988-1989, whose preparation is nearing completion, will amount to \$1,681,372,400. It reflects the impact of the recommendations of the Group of High-Level Intergovernmental Experts as adopted by the General Assembly in its resolution 41/213, in terms of reduction in travel and consultant funds and reduced provisions for staff costs in anticipation of the reductions in the number of posts that are required. Such reductions, together with structural and other changes that are being or will be effected, will be the subject of a report complementary to the proposed programme budget. In this period of far-reaching changes, and while awaiting the outcome of intergovernmental studies, it would not seem unreasonable to anticipate that legislative action requiring new and additional activities will be at a lower level than has heretofore been the case. It is also unlikely that there would be revised estimates involving substantial additional expenditures. In the circumstances, a contingency fund amounting to 0.75 per cent of the budget, or \$12,610,300, appears reasonable in order to accommodate, at the forty-second and forty-third sessions of the General Assembly, additional expenditures relating to the biennium 1988-1989 derived from legislative mandates not provided for in the proposed programme budget or from revised estimates excluding those arising from the impact of extraordinary expenses as well as fluctuations in rates of exchange and inflation.

Inflation and currency fluctuations

35. Adjustments resulting from inflation, including adjustments to standard costs, and from currency fluctuations have, at times, led to reductions and at other times to additional expenditures. These adjustments can be and have been substantial.

36. The budgetary impact of these adjustments during the bienniums 1980-1981, 1982-1983 and 1984-1985 in dollar terms and as a percentage of the estimates contained in the proposed programme budget is summarized below.

Biennium	Increase (decrease) due to changes in the rates of inflation and exchange and standard costs adjustments	
	United States dollars	Percentage of the proposed programme budget
1980-1981	51 680 400	4.3
1982-1983	(122 737 200)	(8.0)
1984-1985	(47 762 100)	(3.0)

As regards the current biennium, such changes have so far resulted in increases totalling \$49,993,600. The strengthening of other currencies vis-à-vis the United States dollar since early January 1987 will, if it continues, require a further increase of \$27 million in the second performance report for the biennium 1986-1987.

37. Paragraph 11 of annex I of General Assembly resolution 41/213 states that the Secretary-General should make efforts to absorb additional expenditures of this nature, to the extent possible, through savings from the programme budget, without causing in any way a negative effect on programme delivery and without prejudice to the utilization of the contingency fund. It is evident that the impact of these adjustments, caused primarily by the volatility of currencies, can be such as to make any savings that could be effected in the course of the implementation of the budget totally inadequate to meet them. Even if it were to be agreed that additional requirements arising from changes in the rates of inflation, including adjustments to standard costs, and exchange should be met through a reduction of programme activities, the level of savings that might be required (and this could not be known in advance) and the inability of the Organization to effect such savings at short notice would force the adoption, on a continuous basis, of measures such as those that have been taken in response to the current financial crisis.

38. The new budget process approved by the General Assembly in its resolution 41/213, providing as it does for greater participation by Member States from the early stages of the process, legislative decision by the General Assembly to guide the Secretary-General in the preparation of the proposed programme budget, the establishment of priorities and the establishment of a contingency fund, implies a desire on the part of Member States to be in a position to know at the outset of a biennium the likely level of expenditures and the related level of assessments. The magnitude of adjustments due to changes in the rates of inflation and currency exchange and standard adjustments (changes that, on the one hand, are caused by circumstances beyond the control of the Secretary-General, and of the General Assembly for that matter, and, on the other, are impossible to forecast with any degree of accuracy) is such as to make it a virtually impossible task to foresee from the outset the level of expenditures in a biennium.

39. To ensure that the maximum level of expenditures is known at the outset would require a provision for potential changes in the rates of inflation, including standard costs adjustments, and currency exchange of a size sufficient to meet all eventualities. On the basis of experience in the last few bienniums, a provision of \$125 million would not appear unreasonable.

40. Such a provision could be made by establishing, at the beginning of a biennium, at the time of the adoption of the proposed programme budget, a reserve that would form part of the appropriations as a separate section and would be assessed. Any increases during the biennium due to changes in the rates of inflation, including standard costs adjustments, and currency exchange, including increases that might arise prior to the approval of the proposed programme budget and the initial appropriations, would be met from the reserve. At the relevant appropriation stage, such additional requirements would be appropriated under all the sections of the budget so affected, and the appropriations for the section relating to the reserve would be reduced commensurately. Where such changes would result in reductions, these reductions would likewise be reflected, at the appropriation stage, in sections so affected, and the appropriations for the section relating to the reserve would be increased accordingly up to the level of \$125 million. Once the reserve had been replenished, further reductions would be credited to Member States.

41. The effect of such a procedure would be that increases during a biennium resulting from changes in the rates of inflation, including standard costs adjustments, and currency exchange, would not result in increases in assessments; they would have been provided for in advance. Should the need arise to replenish the reserve at the beginning of a biennium, however, this could result in sizeable increases in the level of assessment. Additional expenditures that might arise from changes in the rates of inflation, including standard costs adjustments, and currency exchange, would therefore continue to be appropriated and assessed; they would, however, be assessed every two years rather than annually as is presently the case. In the circumstances, it would appear that the current method of dealing with such adjustments, that is, increasing the appropriations and assessments whenever they give rise to additional expenditures and reducing the appropriations and assessments whenever they give rise to reductions, might still be the least inconvenient way of dealing with such changes.

Notes

1/ Official Records of the General Assembly, Thirty-eighth Session, Supplement No. 7 (A/38/7 and Corr.1), para. 6.6.

2/ Ibid., para. 28.186.

3/ Ibid., para. 11.4.

4/ Ibid., paras. 27 and 28.

Adjustments made to the level of resources contained in the proposed programme budget: chronological synopsis

	<u>1980-1981</u>	<u>1982-1983</u>	<u>1984-1985</u>	<u>1986-1987</u>
1. YEAR PRECEDING THE BIENNIUM - General Assembly session:				
Estimates proposed by the Secretary-General	<u>1 214 203.3</u>	<u>1 535 989.0</u>	<u>1 605 568.0</u>	<u>1 742 784.5</u>
<u>Adjustments:</u>				
(a) First reading	(25 364.3)	(44 940.3)	(17 356.6)	(117 390.7)
(b) Programme budget implications	20 451.7	14 186.7	14 465.8	9 452.0
(c) Conference-servicing costs	4 645.0	11 300.0	8 253.0	4 378.1
(d) Revised estimates	33 857.5	35 881.6	11 358.6	6 812.1
(e) Inflation, currency and standards adjustments	0.0	(46 175.2)	(35 329.0)	14 555.5
Total adjustments	<u>33 589.9</u>	<u>(29 747.2)</u>	<u>(18 408.2)</u>	<u>(79 443.0)</u>
Initial appropriations (Amount approved on first reading plus adjustments)	<u>1 247 793.2</u>	<u>1 506 241.8</u>	<u>1 587 159.8</u>	<u>1 663 341.5</u>
2. FIRST YEAR OF BIENNIUM - General Assembly session:				
<u>Adjustments:</u>				
(f) Programme budget implications	11 923.4	16 453.2	16 127.6	6 141.3
(g) Conference-servicing costs	4 645.0	9 370.0	5 150.0	3 397.7
(h) Revised estimates	10 735.3	11 575.9	13 674.0	2 577.1
(i) Unforeseen and extraordinary expenses	1 392.8	2 433.6	2 803.1	905.5
(j) Inflation, currency and standards adjustments	62 661.7	(73 112.8)	(13 363.3)	35 438.1
Total adjustments	<u>91 358.0</u>	<u>(33 280.1)</u>	<u>24 391.4</u>	<u>48 459.7</u>
Revised appropriations (Initial appropriations plus adjustments)	<u>1 339 151.2</u>	<u>1 472 961.7</u>	<u>1 611 551.2</u>	<u>1 711 801.2</u>
3. SECOND YEAR OF BIENNIUM - General Assembly session:				
<u>Adjustments:</u>				
(k) Unforeseen and extraordinary expenses	748.4	1 333.2	2 095.0	
(l) Inflation, currency and standards adjustments	(10 981.3)	(3 449.7)	730.2	
(m) End of biennium reassessment	<u>12 786.0</u>	<u>(1 206.2)</u>	<u>(5 472.4)</u>	
Total adjustments	<u>2 553.3</u>	<u>(3 322.7)</u>	<u>(2 597.2)</u>	
Final appropriations (Revised appropriations plus adjustments)	<u>1 341 704.3</u>	<u>1 469 639.5</u>	<u>1 608 954.0</u>	

ANNEX II

Adjustments made to the level of resources contained in the proposed programme budget, broken down by categories

	<u>1980-1981</u>	<u>1982-1983</u>	<u>1984-1985</u>	<u>1986-1987</u>	
	(thousands of US dollars)	(thousands of US dollars)	(thousands of US dollars)	(thousands of US dollars)	As a Percentage of A
	As a Percentage of A	As a Percentage of A	As a Percentage of A	As a Percentage of A	As a Percentage of A
<u>A. Estimates proposed by the Secretary-General</u>	<u>1 214 203.3</u>	<u>1 535 989.0</u>	<u>1 605 568.0</u>	<u>1 742 784.5</u>	
<u>B. Adjustments:</u>					
First reading	(25 364.3)	(44 940.3)	(17 356.6)	(117 390.7)	(6.7)
Programme budget implications	32 375.1	30 639.9	30 593.4	15 593.3	0.9
Conference-servicing costs	9 290.0	20 670.0	13 403.0	7 525.8	0.4
Revised estimates	44 592.6	47 457.5	25 032.6	12 389.2	0.7
Unforeseen and extraordinary expenses	2 141.2	3 766.8	4 898.1	905.5	a/ -
Inflation, currency and standards adjustments	51 680.4	(122 737.2)	(47 762.3)	49 993.6	a/ 2.9 a/
End of biennium reassessment	<u>12 786.0</u>	<u>(1 206.2)</u>	<u>(5 422.4)</u>	<u>a/</u>	<u>—</u>
Total adjustments	127 501.0	(66 349.5)	3 386.0	a/	0.2
<u>Final appropriations</u>	<u>1 341 704.3</u>	<u>1 469 639.5</u>	<u>1 608 954.0</u>		

a/ Partial data.

ANNEX III

Resources added to the proposed programme budget as a result of the consideration of programme budget implications statements

	1980-1981		1982-1983		1984-1985		1986-1987	
	34	35	36	37	38	39	40	41
(thousands of United States dollars)								
<b>A. PERZEMIALS</b>								
Disarmament issues	873.7	652.7	824.6	444.9	685.0	218.5	553.2	78.9
Policies of apartheid	1 895.9	534.5	852.0	668.6	680.2	587.5	425.9	736.7
Namibia	631.1	519.0	2 747.1	2 514.6	3 478.1	4 123.1	3 560.2	4 499.8
Special Committee to Investigate Israeli Practices Living conditions of the Palestinian people	285.4	263.8	322.2	326.7	290.1	269.1	294.4	210.0
Question of Palestine	445.2	-	87.2	95.4	81.0	36.2	61.2	-
Situation in Afghanistan	-	17.0	1 086.6	-	1 352.8	-	1 947.5	-
Situation in Kampuchea	-	399.4	92.2	85.0	110.0	110.2	113.4	48.4
Subtotal	4 206.8	2 406.4	6 079.9	4 361.1	7 165.3	5 968.1	7 548.4	6 141.3
<b>B. SPECIAL CONFERENCES, INTERNATIONAL YEARS AND DECADES, INCLUDING PREPARATORY WORK AND FOLLOW-UP</b>								
World Assembly on Aging	-	437.3	-	99.7	-	-	-	-
Sixth United Nations Congress on the Prevention of Crime	-	77.0	-	-	-	-	-	-
United Nations Decade for Women	258.9	470.0	-	-	1 134.0	232.1	236.6	-
International Year of Disabled Persons	1 594.6	37.0	427.8	75.5	-	-	-	-
International Youth Year	-	12.3	53.2	81.0	-	-	-	-
International Conference on Assistance to Refugees	-	430.8	-	-	-	-	-	-
Conference on the Least Developed Countries	629.2	759.0	1 645.5	-	258.7	-	-	-
Conference on New and Renewable Sources of Energy	720.6	81.3	-	-	-	-	-	-
Law of the sea	473.3	1 804.0	2 374.7	293.5	-	-	370.0	-
Peaceful uses of nuclear energy	-	-	541.0	625.4	2 008.0	-	-	357.8
International Conference on the Question of Palestine	-	-	-	2 048.0	-	-	-	-
Conference on Succession of States	-	-	-	25.5	-	-	-	-
Decade to Combat Racism and Racial Discrimination	325.0	-	-	384.0	-	-	-	-
Transport and Communications Decade in Africa	-	250.6	152.2	483.1	1 000.0	-	-	-
Special session of UNEP	-	-	452.1	-	-	-	-	-
Thirty-fifth anniversary of the Universal Declaration of Human Rights	-	-	40.0	-	-	-	-	-
Peaceful uses of outer space	817.0	-	-	44.9	74.0	-	-	-
International Year of Peace	-	-	-	-	70.0	-	-	-
Science and technology	1 624.1	-	-	-	-	-	-	-
Industrialization: Industrial Development Decade for Africa	-	-	-	-	-	4 075.1	-	-
International drug conference	-	-	-	-	-	-	1 200.4	-
Subtotal	6 443.7	4 360.2	5 636.5	7 317.5	4 544.7	5 577.2	1 704.8	-
<b>C. OTHER</b>								
Industrial development	812.6	1 08.6	34.9	2 191.7	1 242.1	1 373.5	-	-
UNIDO Conversion	-	-	-	60.0	-	-	-	-
UNCTAD: Natural Rubber Council	-	200.0	-	-	-	-	-	-
UNCTAD: Common Fund	-	1 968.1	-	-	-	-	-	-
UNCTAD: Jute Council	-	-	-	150.0	-	-	-	-

ANNEX III (continued)

Biennium:	1980-1981		1982-1983		1984-1985		1986-1987		
	35	36	37	38	39	40	41	42	
General Assembly session:									
			(thousands of United States dollars)						
C. OTHER (continued)									
Trade and development	-	63.0	-	-	-	-	-	-	
Pattern of conferences	-	-	-	-	-	611.9	-	-	
ECLAC: conferences	-	-	-	-	-	-	108.8	-	
Arabic language services	3 288.2	170.6	-	-	-	-	-	-	
Questions relating to information:	1 255.5	796.8	1 011.2	704.7	688.2	-	-	-	
Information System Unit in DIESA	-	142.7	-	-	-	-	-	-	
Emolument of members of ICJ	-	208.6	-	-	-	-	-	-	
UNITAR	-	305.7	-	-	-	1 500.0	-	-	
Permanent sovereignty over natural resources in occupied Arab territories	-	76.1	104.2	-	35.7	-	-	-	
Special economic and disaster relief assistance	98.8	114.4	142.6	65.9	-	-	-	-	
Restructuring of the economic and social sectors	20.9	170.1	-	-	-	-	-	-	
Refugees in the Sudan	-	41.7	-	-	-	-	-	-	
Migrant workers	-	27.3	-	-	-	-	-	-	
ICSC	-	82.8	-	119.7	-	-	-	-	
Honoraria of members of organs and subsidiary organs	-	125.0	-	-	-	-	-	-	
Personnel questions	-	555.0	-	-	-	-	-	-	
International drug abuse control strategy	-	288.0	-	-	-	-	-	-	
Co-operation with OAU	-	13.7	-	14.5	-	-	-	-	
Co-operator with the League of Arab States	-	-	-	72.5	-	-	-	-	
Israel's decision to build a canal	-	-	86.2	-	50.0	-	-	-	
Declaration on the granting of independence	-	-	24.0	-	-	517.0	-	-	
Development of principles and norms: new international economic order	-	-	90.0	177.4	59.1	-	-	-	
Enlargement of International Law Commission	-	-	233.1	-	-	-	-	-	
Committee of experts to evaluate structure	-	-	30.9	-	-	-	-	-	
Review of multilateral treaty process	-	-	20.0	-	-	-	-	-	
Armed Israeli aggression against Iraq	-	-	-	45.5	-	-	-	-	
Staff training	-	-	-	106.0	-	-	-	-	
MULPOCS	-	-	-	915.9	-	-	-	-	
Identification cards for Palestinian refugees	-	-	42.5	40.0	-	-	-	-	
University of Jerusalem	-	-	-	110.0	68.8	-	-	-	
Protection against hazardous products	-	-	-	100.8	-	104.3	-	-	
Babitat	176.0	-	-	-	-	-	-	-	
Pension questions	277.2	-	-	-	-	-	-	-	
United Nations International School	3 515.0	-	-	-	-	-	-	-	
Alternative approaches to human rights	12.0	-	-	-	-	-	-	-	
Indian Ocean	25.0	-	-	-	-	-	-	-	
Disaster relief	370.0	-	-	-	-	-	-	-	
OWIDIR	-	-	-	-	-	146.5	-	-	
Subtotal	9 801.2	5 156.8	2 470.3	4 774.6	2 755.8	4 562.3	108.8	-	
Total	20 451.7	11 923.4	14 186.7	16 453.2	14 465.8	16 127.6	9 452.0	6 141.3	



ANNEX IV

Categories of programme budget implications

	1980-1981		1982-1983		1984-1985		1986-1987	
	(thousands of US dollars)	Per cent	(thousands of US dollars)	Per cent	(thousands of US dollars)	Per cent	(thousands of US dollars)	Per cent
Perennials	6 613.2	20.4	10 441.0	34.1	13 153.4	43.0	13 698.7	87.8
Years, anniversaries, etc.	10 804.0	33.4	12 954.0	42.3	10 121.9	33.1	1 794.8	11.5
Other	14 957.9	46.2	7 244.9	23.6	7 318.1	23.9	108.6	0.7
<b>Total</b>	<b>32 375.1</b>		<b>30 639.9</b>		<b>30 593.4</b>		<b>15 593.3</b>	



ANNEX V (concluded)

Biennium:	1980-1981		1983-1983		1984-1985		1986-1987	
	34	35	36	37	38	39	40	41
General Assembly session:	(thousands of United States dollars)							
Commercial insurance, Headquarters	-	-	-	-	-	-	326.5	1 006.2
Telephone system at Headquarters	-	-	-	-	-	-	(8.6)	-
Conversion of UNIDO	-	-	-	-	-	-	(38 559.2)	-
Conditions of services: International Court of Justice	-	-	-	-	-	-	375.0	-
Co-ordinator for women	-	-	-	-	-	-	163.0	-
UNIDIP	-	-	-	-	-	-	162.2	98.5
Paper maintenance at ECA	-	-	-	-	-	-	1 202.4	-
Internal Audit Division	-	-	-	-	-	-	4 224.2	-
UNITAR	-	-	-	-	-	-	600.0	-
Political Information News Service	-	-	-	-	-	-	(178.0)	350.6
Earthquake: ECTAC	-	-	-	-	-	-	-	410.0
Reinstatement of a post in PECA	-	-	-	-	-	-	80.0	-
<b>Total</b>	<b>33 857.5</b>	<b>10 735.1</b>	<b>35 881.6</b>	<b>11 575.9</b>	<b>11 358.6</b>	<b>13 674.0</b>	<b>9 812.1</b>	<b>2 577.1</b>