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Agenda item 91

PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

United Nations Conference on Trade and Development (UNCTAD)

Preparatory work for bringing the Common Fund into operation

Note by the Secretary-General

1. By its decision 34/446 of 19 December 1979, the General 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 \$1.6 million". The statement of administrative and financial implications related to that decision was submitted to the General Assembly in document A/C.5/34/37.

2. At the 34th meeting of the Fifth Committee during the thirty-fourth session of the General Assembly, the Chairman of the Advisory Committee on Administrative and Budgetary Questions, presenting that Committee's report on the administrative and financial implications, stated that, when the need arose for such advance appropriation, it could be covered under the resolution on unforeseen expenditures for the biennium 1980-1981, or in subsequent biennia. He further stated that any financial advance should be covered under existing section 15 of the programme budget, with an appropriate indication of how it would be offset under income section 2.

3. The agreement establishing the Common Fund was adopted by the United Nations Negotiating Conference on the Common Fund at its fourth session on 27 June 1980. During that session, the Negotiating Conference also adopted a resolution establishing a Preparatory Commission. That resolution, *inter alia*, called on the Secretary-General of UNCTAD, after consultation with the Chairman of the Preparatory Commission, to establish a special unit for the servicing of the Commission. The Negotiating Conference also decided that, pursuant to General Assembly decision 34/446, the expenses incurred by the work of the Preparatory Commission and the special unit, with the exclusion of expenses incurred by members of and participants in the Commission in attending its meetings, might be met from the funds to be

advanced by the General Assembly, which would be repaid by the Fund as soon as possible after the entry into force of the agreement.

4. The review of the requirements of the preparatory work for bringing the Common Fund into operation was completed after the current session of the General Assembly had begun, thus obviating the need to cover the advance appropriation under Assembly resolution 34/231 on unforeseen and extraordinary expenses. Accordingly, the Secretary General recommends that the General Assembly decide to provide an appropriation in the amount of \$1,750,500, on a non-recurrent and reimbursable basis, under section 15 of the programme budget for the biennium 1980-1981. This provision will 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. Such reimbursement will have first claim against revenues of the Common Fund.

5. The first session of the Preparatory Commission is scheduled to meet in Geneva from 20 to 24 October 1980, and the Secretary-General of UNCTAD intends to establish immediately thereafter the special unit for the servicing of the Preparatory Commission.

6. The statement of administrative and financial implications (A/C.5/34/37) submitted at the thirty-fourth session has been revised to reflect the actual timetable for the interim arrangements (beginning 1 November 1980 for an assumed duration of 12 months) and the present assumptions on staff costs and exchange rates. 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.

7. In accordance with the resolution of the United Nations Negotiating Conference on the Common Fund establishing the Preparatory Commission, it shall prepare for submission to the Governing Council of the Fund proposals concerning the following instruments:

(a) Rules of procedure of the Governing Council and of the Executive Board;

(b) Rules and regulations for the conduct of the business of the Fund;

(c) Working papers on policies, criteria and regulations to govern financing operations by the Fund, including an outline of a model association agreement;

(d) Rules and regulations for the consultative committee;

(e) Staff regulations.

(f) An administrative budget, reflecting the staffing and financial requirements for the first fiscal period of the Fund.

8. In order for the special unit to service the Preparatory Commission, it is estimated that 14 temporary posts would be required as follows: one D-2, two D-1,

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three P-5, two P-3, one GS (Principal level) and five GS (other level). Costed on the basis of a 12-month duration - 2 months in 1980 and 10 months in 1981 - in Geneva, at 5 per cent turnover deduction for Professional staff, the expenditures for the temporary posts are estimated at \$816,300 under section 15 of the programme budget for the biennium 1980-1981. In addition, an appropriation in respect of a provision for staff assessment in an amount of \$217,600 under section 31 is requested, which would be offset by an increase in the same amount in the estimates under income section 1.

9. Owing to the interim nature of the Preparatory Commission and the fact that the costs involved will be refunded to the United Nations, the Secretary-General intends to delegate to the Secretary-General of UNCTAD the authority to appoint on his behalf staff for service with the special unit for the Preparatory Commission for the Common Fund. Staff appointed under this arrangement would receive fixed-term appointments limited to service with the special unit for the Preparatory Commission and to a maximum of one year, estimated now to be the duration of the Preparatory Commission's existence. The Secretary-General further proposes that the temporary posts to which such staff are appointed be considered as being outside the scope of geographical distribution.

10. Official travel estimated at a cost of \$41,400 would be required to be undertaken by senior staff to the various geographic areas in the course of the preparatory process of bringing the Common Fund to operational status.

11. The services of consultants, equivalent to 20 work months, would also be required to assist in the highly technical aspects of the preparatory work for the Common Fund, as outlined in paragraph 7 above. It is estimated that \$103 500 in fees and associated travel would be needed for this purpose.

12. It is assumed that the Preparatory Commission would require six weeks of meetings, for which a cost of \$624,000 is estimated.

13. An estimated amount of \$165,600 would cover the cost of accommodation, furniture and equipment, supplies and materials, communications and miscellaneous services.

14. The requirements for a period of 12 months during the biennium 1980-1981 are summarized as follows:

	<u>1980</u> \$	<u>1981</u> \$	<u>Total</u> \$
Salaries and common staff costs	134,700	681,300	816,000
Consultant services	17,200	86,300	103,500
Travel of staff	6,200	34,500	41,400
Meetings (please see annex for details)	104,000	520,000	624,000
Other operating costs	<u>27,500</u>	<u>138,100</u>	<u>165,600</u>
Total	290,300	1,460,200	1,750,500

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15. The UNCTAD secretariat will continue to render assistance to the preparatory activities for the establishment of the Common Fund from resources available within the existing commodities programme of UNCTAD. Accordingly, the level of requirements requested above has been based upon the level of additional workload arising, which cannot be absorbed within existing resources.

Annex

CONFERENCE SERVICING REQUIREMENTS OF A PREPARATORY COMMISSION FOR THE
COMMON FUND, SIX SESSIONS OF ONE WEEK EACH DURING 1990-1991

	<u>Number of staff</u>	<u>Number of days</u>	<u>Daily rate</u> \$	<u>Total</u> \$
<u>Interpretation</u> (in six languages)				
Salaries	20	7	214	21 160
<u>Documentation</u>				
Pre-session (30 pages - in six languages)				
Salaries				
Translation	16	7	177	10 624
Revision	6	7	177	3 274
Typing	17	7	72	1 560
In-session (30 pages - in six languages)				
Salaries				
Translation	6	7	177	7 434
Revision	2	7	177	2 750
Typing	6	7	72	3 024
Post-session (30 pages - in six languages)				
Salaries				
Translation	6	7	177	7 434
Revision	2	7	177	2 750
Typing	6	7	72	3 024
<u>Reproduction</u>				3 441
<u>Distribution</u>				2 650

A/C.5/35/19

English

Annex

Page 2

	<u>Number of staff</u>	<u>Number of days</u>	<u>Daily rate</u> \$	<u>Total</u> \$
<u>Other conference staff</u>				
Meeting room attendants and guards	3	7	46	066
Technicians (interpretation and sound recording)	2	7	46	644
Conference officers	1	7	80	560
<u>Conference room - rental</u>				<u>2 520</u>
Total for one meeting				103 234
Total cost for six meetings (103,234 x 6)				624 000
