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United Nations Children's Fund Biennial Support Budget for 2002-2003

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director of the United Nations Children's Fund on the biennial support budget for 2002-2003 (E/ICEF/2001/AB/L.10). The Committee also had before it the report on internal audit activities in 2000 (E/ICEF/2001/AB/L.7). During its consideration of the item, the Committee met with representatives of the Executive Director, who provided additional information.

General observations

2. The Advisory Committee notes the progress made in the overall presentation of the budget document; however, it believes that some further improvements will enhance the transparency of the estimates and the comprehension of the information presented. For example, the Committee notes an excessive use of acronyms in the narratives that may distract from an easy understanding of what is being read. More broadly, the Committee notes the statement in paragraph 1 (E/ICEF/2001/AB/L.10) that UNICEF has limited information to summary levels "so that Executive Board members can focus on strategic financial decision-making". While the Committee appreciates the streamlined presentation, care should be taken not to compromise transparency and adequate resource justification.

* E/ICEF/2001/12.



3. The Advisory Committee further notes the statement on priorities and resource allocation that "the budget strategy, contained in paragraphs 11-16 below, shows how UNICEF aligns the support budget to the MTSP priorities" (E/ICEF/2001/AB/L.10, para. 2). In the view of the Committee, this is not clear from the information contained in paragraphs 11-16 of the document. The Committee notes that, in paragraph 11 of the budget report, five priorities are shown; but it is not clear to the Committee how resources in the support budget and in the programme of work are linked to the attainment of the five priorities. In future, the Committee recommends that this shortcoming be addressed.

4. The Advisory Committee notes that several references are made to results and accountability in the budget document. The Committee is aware that in recent years, there has been an increasing demand for performance, results and accountability in the debate in the Executive Board. In the opinion of the Committee, results and accountability would be considerably promoted by improved planning for results and by putting in place appropriate and effective tools to measure performance. The Committee notes the information in paragraphs 81-89 of the report of the Executive Director on effective performance management system (E/ICEF/2001/4 (Part II)). The Committee also recalls recommendations of the Board of Auditors on developing non-financial performance indicators to measure performance (see A/56/66/Add.1, paras. 219-223 and E/ICEF/2001/AB/L.8, paras. 20-24). Accordingly, the Committee requests that in the next budget presentation, a clear indication should be made of the progress made in developing better tools for measuring performance and expected results for which the UNICEF administration would be held accountable. The Committee requests that this information be included in the support budget proposals of the Executive Director.

5. The Advisory Committee recalls its recommendation in paragraph 6 of its report of 5 April 2000 (E/ICEF/2000/AB/L.4), indicating that the most appropriate time to discuss the biennial support budget would be before the financial period starts, not in January when the period has already begun. In that connection, the Advisory Committee was informed that UNICEF will continue to raise the possibility of a December Executive Board meeting with the United Nations Committee on Conferences so that the budget could be approved before the start of the biennium. The Committee notes that for the biennial support budget for 2000-2003, the second regular session of 2001 of the Executive Board is scheduled for 10-14 December 2001.

Income and expenditure

6. The Advisory Committee was provided with expenditure projections for the support budget for 2000-2001 of \$510.9 million gross, as compared with the approved appropriations of \$545.5 million gross for 2000-2001. The projected unencumbered balance of \$34.6 million gross, or 6.3 per cent of the approved appropriation, includes projected underexpenditure of \$27.9 million under staff costs and of \$11.7 million under operating expenses, offset mainly by projected overexpenditure of \$4.7 million under furniture and equipment and of \$0.3 million under consultants. Taking into account an increase in income to the biennial support budget of \$12.2 million, the net support budget expenditure is projected at \$430.9 million for 2000-2001, reflecting an unencumbered balance of \$46.8 million, or 9.8 per cent, as compared with the net approved appropriation of \$477.7 million (see annex I to this report).

7. Upon enquiry, the Advisory Committee was informed that underexpenditure in personnel costs resulted from deliberate management action geared to leave vacant posts unfilled, especially in units undergoing reorganization (e.g. the programme group at headquarters). The Committee was informed that, as of September 2001, the vacancy rate for international Professional posts was 9 per cent, while the budget for 2000-2001 assumed a vacancy rate of 6 per cent for international Professional posts. However, the recruitment process was proceeding rapidly, and by year-end it will be less than the vacancy rate assumed in the budget, as the average recruitment time for UNICEF is about four months, and efforts are under way to shorten further this recruitment time. The Committee welcomes this development.

8. The Advisory Committee was also informed that in five to six years, a large number of UNICEF staff would be retiring. The Committee was informed, upon request, that from 2001 to 2006, 168 international Professionals will reach retirement age (55 at headquarters and 113 in the field). In the view of the Committee, this affords an opportunity to rejuvenate the organization.

9. Upon enquiry, the Advisory Committee was informed that the projected support budget expenditure of \$510.9 million gross for 2000-2001 included approximately \$8.4 million for staff security. In addition, staff security expenditure under the programme budget is estimated at \$12 million in 2000-2001. The projected overexpenditure in furniture was due partly to security requirements in the field, as it was expected that more might be needed after 11 September. It was estimated that between \$2 million to \$3 million of additional requirements would be needed for staff security by year-end. At present, there are 17 staff members (either on a post, temporary fixed-term or contracts) designated for staff security. Out of the 17 staff, one works in the Office of the United Nations Security Coordinator, where costs are shared with two other agencies; nine work in the Operations Centre at headquarters, supporting the field; and seven work in the field offices. In addition, there are 61 inter-agency field security officers for which UNICEF shares the cost.

10. Upon enquiry, the Advisory Committee was informed that information technology (IT) expenditure for 2000-2001 was estimated at \$44.6 million as compared with the approved budget of \$47.3 million (see E/ICEF/2001/AB/L.10, table 11). The 2000-2001 estimated expenditure included \$24.4 million for staff costs; \$9.3 million for contractual services for maintenance; \$10.2 million for acquisition of hardware, software and supplies; and \$0.7 million for other items.

11. Table 1 of document E/ICEF/2001/AB/L.10 shows that for the biennium 2002-2003, total projected resources would amount to \$3,351.8 million, reflecting an increase of 26.7 per cent, as compared with total planned resources of \$2,646.2 million for the biennium 2000-2001. For 2002-2003, total regular resources are projected at \$1,257.2 million, reflecting an 8.4 per cent decrease, as compared with planned total regular resources of \$1,362.2 million for 2000-2001. Other resources are projected at \$1,607.0 million for 2002-2003, reflecting an increase of 37.3 per cent, as compared with other resources of \$1,170.0 million for 2000-2001; and total trust funds are projected at \$487.6 million, or 327.7 per cent higher, as compared with trust funds of \$114.0 million for 2000-2001.

12. The Advisory Committee notes that government contributions to regular resources projected at \$682.2 million for 2002-2003 decrease by 5.4 per cent, as compared with government contributions to regular resources of \$721.2 million planned for 2000-2001; and private sector contributions to regular resources

projected at \$405 million for 2002-2003 decrease by 2.9 per cent, as compared with private sector contributions of \$417 million for 2000-2001 (E/ICEF/2001/AB/L.10, table 1).

13. Total programme resources are projected at \$2,229 million, reflecting an increase of 30.5 per cent, as compared to total programme resources of \$1,708 million for 2000-2001. The Advisory Committee notes that the programme estimates under regular resources decrease by 13 per cent from \$770 million for 2000-2001 to a projected programme of \$670 million for 2002-2003. Total programme support and management and administration costs are projected at \$543.4 million for 2002-2003, reflecting a 5 per cent increase, as compared with total programme support and management and administration costs estimated at \$517.7 million for 2000-2001 (E/ICEF/2001/AB/L.10, table 1). Annex III to the budget document shows a breakdown of the programme budget estimates by countries within regions, as compared to the biennial support budget. The Advisory Committee welcomes the inclusion of that annex in the budget document.

14. The Advisory Committee notes from table 2 of the budget document that planned regular resources of \$1,362.2 million for 2000-2001, adjusted by excluding the opening balance of \$144 million and adding the adjustment for taxes of \$15.8 million (see paragraph 22 below), indicated in the footnote to table 2, would decrease further from \$1,234 million for 2000-2001 to a revised projection of \$1,108 million, or a 10.2 per cent decrease. Other resources and trust funds and reimbursements would increase from \$1,000 million planned for 2000-2001 to a revised projection of \$1,458 million, or 45.8 per cent.

15. In the view of the Committee, the Executive Director should review the policy implication of the rapid increase in other resources and trust funds, as compared with regular resources. The review should include the effect, if any, on priorities in planning and in programme formulation and approval, as well as in terms of the management capacity of the administration in situations where regular resources are decreasing with inadequate recovery from other resources and trust funds.

16. The Advisory Committee notes from paragraph 6 of the budget report that, as requested by the Committee (E/ICEF/1999/AB/L.10, para. 7), the terminology of "special accounts", previously used by UNICEF, has been changed to "trust funds" in its financial reports. Accordingly, this has been reflected in the UNICEF financial statement for the biennium ended 31 December 1999 (A/55/5/Add.2) and in the current budget proposal. The Committee was informed that UNICEF trust funds not related to programmes approved by the UNICEF Executive Board are not entered in the financial accounts of UNICEF as income and expenditure. These funds are used mainly to cover the cost of goods and services purchased and delivered on a reimbursable basis by UNICEF on behalf of Governments, other agencies in the United Nations system and non-governmental organizations (see also A/55/5/Add.2, chap. I, para. 5). While the Committee does not object to this treatment, it stresses that all funds in the custody of the Executive Director and contributed for activities in the programme of work approved by the Executive Board should be recorded as income.

II. Biennial support budget estimates for 2002-2003

17. As shown in table 1 of the budget document for 2002-2003, the biennial budget estimates funded under regular resources amount to \$566.2 million gross (\$477.9 million net), as compared to \$545.5 million gross (\$477.7 million net) for 2000-2001.

18. Estimated income and adjustments to the biennial support budget amounts to \$88.3 million for 2002-2003 (including \$61.5 million from recovery charges), as compared to estimated income to the support budget of \$67.8 million for 2000-2001 (including income from recovery charge of \$40.0 million). Recovery charges are to cover the costs for programme support and management and administration; the methodology upon which the recovery charges are currently based is discussed briefly in paragraphs 96-98 of document E/ICEF/1999/AB/L.7.

19. The Advisory Committee notes from table 1 and paragraph 8 of the budget document that recovery charges projected in the amount of \$61.5 million for 2002-2003 are based on current UNICEF policy of recovering 5 per cent from other resources and 3 per cent from trust funds. Actual recovery from other resources (including fees from administration of trust funds) would amount to \$55.0 million for 2000-2001. The Advisory Committee notes that UNICEF intends to review its recovery policy in 2002 after the United Nations Joint Inspection Unit completes a system-wide study on the subject.

20. The Advisory Committee was informed upon request that the total trust fund resources of \$435 million, shown as programme resources in table 1 of the budget document for 2002-2003, comprise estimated amounts of \$265 million from the Global Alliance for Vaccines and Immunization (GAVI), \$150 million for the Oil-for-Food programme in Iraq, with the remainder of \$20 million mainly for projects funded by the World Bank. Except for GAVI, a 3 per cent recovery charge amounting to \$5 million is estimated to recover the costs UNICEF would incur from the support budget for these projects. For GAVI, separate posts and other related costs totalling \$4 million for 2002-2003 have been identified to support the administration of this trust fund. In total, as shown in table 1, support costs for trust funds amount to \$9 million.

21. The Advisory Committee recalls its observations in paragraphs 12-14 of its report of 23 August 1999 (E/ICEF/1999/AB/L.10) on the UNICEF recovery policy and methodology, where it, inter alia, questioned the appropriateness of using future interest income to determine the recovery rate (E/ICEF/1999/AB/L.10, para. 12). The Advisory Committee also questioned the procedure whereby interest income that is credited to regular resources would, in fact, be used to offset support costs as it would not provide a clear accounting trail. At that time, the Committee also reiterated its view that, in light of potential fluctuations in the pattern of receipts and disbursements of other resources, as well as fluctuations in exchange rates and interest rates, it would not be prudent, as a matter of policy, to rely on interest income accruing on cash balances of other resources to cover shortfalls in support costs recovery (E/ICEF/1999/AB/L.10, para. 13). Under the circumstances, the Advisory Committee reiterates its previous recommendation that UNICEF continue to compile adequate data so that it would be able to calculate, in due course, a recovery rate that should further reduce the apparent subsidy from regular resources (E/ICEF/1999/AB/L.10, para. 14).

22. The Advisory Committee notes that, in accordance with its recommendation in paragraphs 15 and 16 of document E/ICEF/1999/AB/L.10, the amount needed to refund staff members for income taxes levied by Member States is charged to contributions income, with the same amount credited to the biennial support budget. The Committee agreed that the introduction of an accounting linkage with voluntary contributions of Member States that collect such income taxes would allow for a more appropriate presentation of the net biennial budget costs (E/ICEF/1998/AB/L.2, para. 32). Thus, for 2002-2003, in accordance with this procedure, the amount of \$15.8 million (unchanged from 2000-2001) needed to refund staff members for income taxes levied by Member States has been excluded from income under government contributions, with the same amount of \$15.8 million included under estimated income to the biennial support budget (E/ICEF/2001/AB/L.10, table 1 and para. 9).

23. As shown in table 5 of document E/ICEF/2001/AB/L.10, the gross budget estimates of \$566.2 million for 2002-2003 increase by \$20.7 million, or 3.8 per cent, as compared to approved gross appropriations for 2000-2001 of \$545.5 million, reflecting a volume increase of \$9.4 million and a cost increase due to inflation/currency and other cost adjustments estimated at \$11.3 million. The net budget estimates of \$477.9 million for 2002-2003 show a near non-growth budget, as compared with the net approved support budget of \$477.7 million for 2000-2001, reflecting an increase in estimated income to the support budget of \$20.5 million from \$67.8 million for 2000-2001 to \$88.3 million for 2002-2003.

24. As shown in table 4 of document E/ICEF/2001/AB/L.10, the volume increase of \$9.4 million for 2002-2003 includes increases of \$24.5 million, partially offset by decreases of \$15.1 million. Tables 7 and 8 of the budget document show that for 2002-2003, the total number of posts proposed under the biennial support budget is 2,523 (859 international Professionals, 243 National Professionals and 1,421 General Service and other categories of staff), as compared with the authorized staffing for 2000-2001 of 2,467 posts (790 international Professionals, 244 National Professionals and 1,433 General Service and other categories of staff). For 2002-2003, the Executive Director proposes an increase of 69 international Professional posts (5 D-1, 4 P-5, 14 P-4, 27 P-3 and 19 P-2), and a reduction of 1 National Professional and 12 General Service posts. The proposed increase of 69 international Professional posts comprises 26 additional posts for country offices, 17 posts for regional offices and 26 posts for headquarters. The proposal also includes the transfer of 11 posts from the Private Sector Division (PSD) and the conversion of 25 temporary staff and consultants in the Information Technology Division (ITD) (E/ICEF/2001/AB/L.10, para. 21, table 7 and summary table III). In view of the projected decrease of regular resources indicated in paragraph 13 above, the Advisory Committee is not convinced that there is sufficient merit to approve all the new international Professional posts requested for the biennium 2002-2003.

25. Annex III to the budget document show that, for the biennium 2002-2003, total posts at UNICEF would amount to 6,004, comprising 2,523 posts under the biennial support budget covered by regular resources and 3,481 posts under the programme budget. The Committee notes that posts under the programme budget include 62 posts (27 international Professional, 4 National Professional and 31 General Service) charged to other resources relating to reimbursements and to programmes. In this connection, the Committee was informed that for GAVI, there are 11 posts funded from support cost charges, as shown in summary table III against the line

“Other resources relating to programmes”. This is also shown in summary table IV (a) and IV (b) (see also E/ICEF/AB/L.10, para. 27).

26. The Advisory Committee notes that for the biennium 2002-2003, the vacancy rate of 6 per cent for international Professional posts has been maintained. The annual average inflation rate is projected at 3 per cent for headquarters and 5 per cent for the field (E/ICEF/2001/AB/L.10, para. 28).

27. The Advisory Committee notes from summary table II that cost estimates for posts for 2002-2003 of \$386.8 million increase by 6.1 per cent, as compared with cost estimates for posts for 2000-2001 of \$364.4 million, while other staff costs of \$15.1 million for 2002-2003 decrease by 38.1 per cent, as compared with other staff costs for 2000-2001 of \$24.6 million. The provision for consultants estimated at \$13.7 million for 2002-2003 increases by 218.6 per cent, as compared with consultant estimates for 2000-2001 of \$4.3 million. Upon request, the Committee was informed that the total consultancy budget increases by \$9.4 million as a result of the need to reflect correctly the real increases in consultancy costs, which included \$2.3 million estimated for the new IT project requirements, \$2.5 million for contractual services previously charged to operating costs and \$4.6 million of other consultants costs previously charged to staff costs.

28. While the Committee appreciates this rationalization of consultants' costs, it maintains its concern that funds for consultants and temporary assistance should not be used to provide for continuing staff needs (see, for example, paragraph 42 below).

29. As indicated in paragraph 30 of document E/ICEF/2001/AB/L.10, “UNICEF has 126 country and area offices and 7 regional offices supporting programme cooperation in 162 countries and territories”. The Advisory Committee notes from table 9 of the budget document that the ratio of the support budget to programme expenditure estimates by regions fluctuates between 9 to 30 per cent. Summary table III of the budget document, however, shows very high support costs for many country offices, in several cases over 50 per cent. The Advisory Committee acknowledges that in small offices with low programme operations, support is bound to be high since there has to be the minimum administrative expenditure to support UNICEF presence in the country concerned. The Committee observes that it is essential for UNICEF to monitor the viability of the small offices to ascertain whether other options could be pursued to ensure better the impact of UNICEF programmes and activities in all the areas of UNICEF presence.

30. Annex V shows changes in Professional posts in the support budget during the biennium 2000-2001 as a result of the flexibility of reclassification of posts granted by the Executive Board to the Executive Director in its decision 2000/7 of 25 May 2000 (E/ICEF/2000/8/Rev.1) on modifications to the budget process. The Advisory Committee notes that 25 new Professional posts (16 international Professional and 9 National Professional) were established, and 21 Professional posts (3 international Professional and 18 National Professional) were abolished. The Committee further notes that 12 posts were converted from national to international positions. In this connection, the Committee requests that, in future, the reasons for these changes be provided in summary form as well as the budgetary effect on the estimates, if any.

31. The Advisory Committee understands from representatives of the Executive Director and from paragraph 31 of the budget document that efforts are being made

to increase the international character of UNICEF. Currently, UNICEF has 970 international Professionals and 1,273 National Professionals in field offices (see E/ICEF/2001/AB/L.10, annex III). The Committee was also informed that UNICEF plans to have at least two international officers per field office. It was stressed that in some regions (e.g. the Americas and Caribbean), National Professionals were more expensive than international Professionals. In the view of the Committee, this goal should be balanced against programme needs, cost-effectiveness, and the need to establish and promote local expertise through National Professionals.

32. The Advisory Committee notes the reorganization of programme units at headquarters discussed in paragraphs 80-90 and table 10 of the budget document. The number of posts in the support budget for these units would be reduced from 170 to 163 posts, and the support budget would total \$44.7 million compared with a support budget for these units of \$44.4 million in 2000-2001. Upon request, the Committee was informed that had the programme group maintained the same level of staffing, the budget would have to be \$2 million higher than currently proposed.

33. Paragraphs 91-94 discuss the Supply Division. The Division is funded from the biennial support budget, GAVI and procurement services. The assessment of supply assistance in 14 field offices by the UNICEF Office of Internal Audit is contained in paragraphs 27-31 of the report on internal audit activities in 2000 (E/ICEF/2001/AB/L.7). Among the many general statements in the report, the Committee notes in particular from paragraph 27 that "management practices in the majority of offices were found to be satisfactory". In the Committee's opinion, the specific facts that led to this and to the other general conclusions in the report should be disclosed fully in future to enable the Executive Board to evaluate the performance and accountability of the audited organizational entity concerned (see also paragraph 38 below).

34. The offices and divisions grouped under the management and administration budget are discussed in paragraphs 95-129 of the budget document. The total proposed budget for management and administration is \$193.1 million, showing an increase of 3.4 per cent, as compared with the approved budget of \$186.8 for 2000-2001 (see E/ICEF/2001/AB/L.10, summary table I).

35. The Advisory Committee notes that one additional P-2 post is requested for the Office of the Executive Director to regularize the functions performed through temporary assistance. The Committee has no objection to this request.

36. With regard to the Evaluation Office, the Advisory Committee recalls its comments in paragraph 29 of its report of 23 August 1999 (E/ICEF/1999/AB/L.10). The Committee notes that the provision of funds has been also been made in the programme budget under regular resources in order to conduct the evaluations mentioned in paragraph 99 of the budget document. The Committee requests that, in future, the document include workload information of the Evaluation Office, such as how many evaluations have been completed in the previous biennium and how many are planned for the period of the biennial budget, as well as a clear indication as to how UNICEF takes into account the evaluation findings.

37. The Advisory Committee notes the new structure of the Division of Policy and Planning, comprising a Global Policy Section, a Strategic Information Section, a Programme Guidance and Quality Assurance Section and a Strategic Planning Unit. The Committee notes from paragraph 103 (d) that two P-5 posts would be

reclassified to the D-1 level, for the chiefs of the Strategic Information Section and of the Global Policy Section. On the basis of the information provided, the Committee is not convinced that these two reclassifications from the P-5 to D-1 level are warranted and recommends against their approval.

38. Paragraphs 104-105 of the budget document discuss the requirements of the Office of Internal Audit for 2002-2003. The Committee notes that the total number of 20 posts has remained the same, with a budget of \$6.6 million, as in the last biennium. The Committee is of the view that internal audit is one of the means by which Member States, through the Executive Board, would hold the UNICEF administration accountable for performance and results. To this end, the Committee suggests that, in future, the contents of the report should move away from general statements of conclusions such as "very few offices were found to have high levels of unliquidated cash assistance" or that "several audits found that quality shortcomings were related to counterparts' limited understanding of UNICEF procedures and expectations" (E/ICEF/2001/AB/L.7, paras. 22 and 25). The Committee stresses that the report should, on the one hand, indicate the specific findings of facts that lead to the stated conclusions and, on the other, provide information on specific actions taken to remedy shortcomings identified through audit (see also paragraph 33 above).

39. The Advisory Committee was informed that the present procedure is to have all UNICEF offices audited once on an average of three to four years. The larger offices are audited more frequently. The Committee requests that the adequacy of this should be reviewed and, if necessary, more resources should be provided for internal audit. The Committee also urges that at all times efforts should be made to ensure full incumbency of the staff positions authorized for internal audit.

40. The proposed budget for IT activities of UNICEF amounts to \$50 million for the biennium 2002-2003, comprising \$45.6 million for ITD and \$4.4 million for computer equipment outside New York. For 2000-2001, the approved budget amounted to \$47.3 million (\$37.4 million for ITD and \$9.9 million for field requirements) (see E/ICEF/2001/AB/L.10, para. 124 and table 11). The major changes affecting the IT budget are summarized in paragraph 123 of the budget document. Upon request, the Committee was provided with a summary table of main IT activities completed in 2000-2001 and planned for 2002-2003 and 2004 and beyond (see annex II to this report).

41. The Advisory Committee notes from paragraphs 128-129 of the budget document the proposed changes in staffing of ITD. The total number of ITD posts proposed for 2002-2003 amount to 105 (74 Professional and 31 General Service), as compared with 74 posts (49 Professional and 25 General Service) for 2000-2001, reflecting an increase of 31 posts (25 Professional and 6 General Service) (see also E/ICEF/2001/AB/L.10, summary table III). The proposal for ITD posts for 2002-2003 includes the conversion of 25 full-time consultants and temporary staff (19 Professional and 6 General Service) to regular posts, 3 new Professional posts for new projects and the addition of 3 Professional posts, currently funded by PSD.

42. The Advisory Committee recalls that for the 2000-2001 support budget, it was also proposed to include the conversion of 25 consultant positions to regular posts in the support budget, to a total of 74 posts and 74.5 full-time temporary staff (148.5 full-time persons) (E/ICEF/1999/AB/L.10, para. 34). In the biennium 1998-1999, ITD had 49 posts and 113 full-time consultants (162 full-time persons)

(E/ICEF/1999/AB/L.7, para. 94). The Committee was informed that for the biennium 2002-2003, ITD full-time persons would include 105 posts in the support budget and 63 consultant positions. The Committee questions the practice of funding continuing functions this way.

Annex I

Estimated projection for 2000-2001 as compared with the approved appropriation

(In thousands of United States dollars)

	Estimated projection for 2000-2001	Approved appropriation	Estimated unencumbered balances
A. Programme support			
1. Country and regional offices			
Posts	176501.0	193100.4	16599.4
Other staff costs	8237.4	8383.5	146.1
Consultants	2464.1	1652.9	(811.2)
Travel	12829.9	12166.8	(663.1)
Operating expenses	46098.4	53545.5	7447.1
Furniture and equipment	7178.4	6391.7	(786.7)
Reimbursements	3266.6	3876.0	609.4
Subtotal	256575.8	279116.8	22541.0
2. Headquarters			
Posts	48495.5	53268.3	4772.8
Other staff costs	5546.2	5668.8	122.6
Consultants	147.0	419.6	272.6
Travel	2629.9	2972.4	342.5
Operating expenses	11985.8	13843.2	1857.4
Furniture and equipment	1730.7	1554.8	(175.9)
Reimbursements	1946.9	1901.3	(45.6)
Subtotal	72482.0	79628.4	7146.4
Subtotal : Programme support	329057.8	358745.2	29687.4
B. Management and administration of organization			
Posts	112939.3	117992.5	5053.2
Other staff costs	9386.9	10559.6	1172.7
Consultants	1953.7	2201.7	248.0
Travel	5524.6	5833.9	309.3
Operating expenses	32783.3	35201.3	2418.0
Furniture and equipment	9458.9	5744.9	(3714.0)
Reimbursements	9825.8	9234.6	(591.2)
Subtotal: Management and admin	181872.5	186768.5	4896.0
TOTAL			
Posts	337935.8	364361.2	26425.4
Other staff costs	23170.5	24611.9	1441.4
Consultants	4564.8	4274.2	(290.6)
Travel	20984.4	20973.1	(11.3)
Operating expenses	90867.5	102590.0	11722.5
Furniture and equipment	18368.0	13691.4	(4676.6)
Reimbursements	15039.3	15011.9	(27.4)
TOTAL GROSS BUDGET ESTIMATES	510930.3	545513.7	34583.4
Estimated income			
Recovery	(54500.0)	(40000.0)	14500.0
Warehouse	(6576.0)	(8000.0)	(1424.0)
Other	(4504.0)	(4000.0)	504.0
Reimbursement of taxes	(14439.0)	(15785.3)	(1346.3)
Estimated income	(80019.0)	(67785.3)	12233.7
TOTAL NET BUDGET ESTIMATES	430911.3	477728.4	46817.1

a/ Purchase of extra hardware for security back-up and increase of price in corporate software.

Annex II

Main information technology activities completed in 2000-2001 and planned for 2002-2003 and 2004 and beyond

Activity	Completed 2000-2001	Future	
		Budgeted in 2002-2003	2004 and beyond
Programme Manager System (ProMS)	ProMS fully rolled out and functional in all field locations. Human resources management functional in all locations, and payroll module in about one half of locations.	Ongoing maintenance and enhancements. Completion of roll out of payroll module.	As will be defined during internal reviews of strategic options as a part of the budget process.
Financial and Logistics System (FLS)	Fully functional in HQs locations. Upgrades to more current versions achieved in 2000 and 2001.	Upgrade to most current version. Ongoing maintenance and simplification in line with business process simplification.	As will be defined during internal reviews of strategic options as a part of the budget process.
		Archiving of applications (new project).	As will be defined during internal reviews of strategic options as a part of the budget process.
Integrated Management Information System/Human Resources (IMIS/HR)	Payroll scheduled for completion by end 2001.	Ongoing support from other resources – project to move from IMIS to Systems, Applications and Products (SAP/HR).	As will be defined during internal reviews of strategic options as a part of the budget process.
Internet and Intranet (and Extranet)	Ongoing functional extensions.	Ongoing functional extensions.	As will be defined during internal reviews of strategic options as a part of the budget process.
Customer and end-user support	Global service centre structured.	Global service centre supported by enterprise management (EM) processes and tools.	As will be defined during internal reviews of strategic options as a part of the budget process.
Global network connectivity	In progress - Global virtual private network 70% completed.	Ongoing completion, monitoring and implementation of new services/applications/ bandwidth.	As will be defined during internal reviews of strategic options as a part of the budget process.
Information technology security and disaster recovery	Minimally achieved through stringent policy and practices and reallocation of funds (following 11 September).	IT Security Unit established in budget.	As will be defined during internal reviews of strategic options as a part of the budget process.
Infrastructure and EM	Phase I on help desk consolidation and use of IT operations tools completed. Phase II rolling out EM to field offices initiated.	Ongoing implementation of Phase II.	As will be defined during internal reviews of strategic options as a part of the budget process.