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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

- I. International Computing Centre - 1980 budget estimates
- II. Revised estimates under section 28 G. Electronic Data Processing and Information Systems Division - International Computing Centre, Geneva (United Nations share)

Report of the Secretary-General

I. International Computing Centre - 1980 budget estimates

1. The 1980 budget estimates of the International Computing Centre (ICC), Geneva, are summarized herein for review and approval by the General Assembly, in accordance with the procedure decided upon by the General Assembly in its resolution 31/208 III. These estimates, amounting to \$4,905,600, are based on an exchange rate of SwF 1.73 to the dollar.

2. ICC is a multiagency co-operative established in 1971 to serve all those organizations of the United Nations system wishing to participate in its activities. At the present time, the following 12 organizations have become fully participant members of ICC: United Nations, WHO and UNDP (1971); UNICEF and ILO (1972); WMO and UNRISD (1973); UNEP and GATT (1974); WIPO (1975); IBE/UNESCO (1976); ITC (1978). The central computer facility, situated in Geneva, provides services to these organizations over leased lines in Switzerland to the United States of America, France and Kenya, and through dial-up telecommunications and telex connexions to other parts of the world.

3. ICC is funded from the data-processing element in the budgets of these 12 organizations as approved by their governing bodies to finance the various projects in their work programmes. The acquisition of the resources required to implement the individual projects is co-ordinated by ICC, and their costs are consolidated into this budget document.

4. Each year the organizations participating in ICC provide the Centre with an estimate of their probable usage of each of the above types of services costed at the rates agreed by the ICC Management Committee. Their estimates are broken down by ICC into the physical resources required to meet these demands and then, by grouping expenditure on similar resources, the Centre's budget by purpose of expenditure is developed.

5. Table 1 indicates the "Allocation of the 1980 budget, by purpose of expenditure, to organizational units and type of service". The entries in the body of this table represent the cost of each particular "resource group" needed to provide the service by a specific organizational unit of ICC.

6. Table 2 shows a "Summary of the budget estimates by purpose of expenditure" and, for comparative purposes, the equivalent budget allocation for 1979.

7. Table 3 summarizes the breakdown of the budget by organizational unit and provides a comparison of the relative distribution of the costs of the different parts of ICC for 1979 and 1980.

8. Table 4 shows the funding of the ICC budget and what percentage of their budget the individual participants estimate they will spend on each ICC service. It should be noted that some of the estimates have been received and included in a provisional form, being subject to the final review of agency governing bodies. The work of the participants ranges through a spectrum from well-articulated projects to more tentative undertakings in respect of which it is not possible to give precise estimates of the resources required. If the pattern evolved in previous years is repeated, then, as participants' work programmes become more specific during the course of the year, they will amend their funding of the various activities as the money they have allocated to individual services is used up or becomes unnecessary.

9. Table 5 presents the 1980 budget of ICC in a format similar to that of the United Nations.

Interagency review

10. In conjunction with the fifty-first session of the Consultative Committee on Administrative Questions (CCAQ) on financial and budgetary questions the proposed ICC budget estimates were reviewed by a panel composed of CCAQ participants from the organizations using the services of ICC, in accordance with the arrangements agreed upon by the Administrative Committee on Co-ordination (ACC) in October 1977 and April 1978.

11. During the financial review of the 1980 ICC budget estimates, the Director of ICC drew attention to changes in the presentation of the budget, to the costing assumptions made, to the general concept of usage-related financing that characterized the Centre's budgetary and financial system and to the flexibility element which, as had already been recognized, constituted an essential part of that system.

12. The panel noted, without challenging the need for the flexibility element, that this represented a balancing item providing for costs that were not covered by firm commitments on the part of users but as such could constitute a potential financial liability for the user organizations. More generally, it appeared to the panel that the budgeting concepts which were applicable to budgets financed by assessed contributions were of limited relevance in the case of a semi-commercial establishment like ICC, which was required to respond to changing demands for services, without making corresponding adjustments in the rates charged for such services.

Table 1
ALLOCATION OF 1980 BUDGET, BY PURPOSE OF EXPENDITURE, TO ORGANIZATIONAL UNIT AND TYPE OF SERVICE
(In US dollars)

SERVICES BY ORGANIZATIONAL UNIT	OFFICE OF THE DIRECTOR	DEVELOPMENT AND OPERATIONAL SERVICES BRANCH					PRODUCTION SERVICES BRANCH					USER SERVICES BRANCH	TOTAL BUDGET
		Overheads	Overheads	Computer processing	Exclusive hardware	Data storage	Total	Stationery	Production services	Data entry	Misc. costs	Total	
Salaries and related costs	180 000	120 000	240 300	-	-	240 300	-	317 000	103 000	-	420 000	379 700	1 340 000
Duty travel	5 000	-	-	-	-	-	-	-	-	-	-	-	5 000
Consultants	600	-	-	-	-	-	-	-	-	-	-	-	600
Supplies	1 000	-	22 000	74 000	13 000	109 000	83 000	11 000	1 000	10 000	105 000	-	215 000
Equipment	6 000	3 000	2 150 000	582 300	-	2 732 300	-	97 000	9 000	-	106 000	2 700	2 850 000
Technical literature	1 500	-	1 500	-	-	1 500	-	-	-	-	-	-	3 000
Common services	14 200	14 000	144 400	11 900	121 500	277 800	20 100	47 800	12 300	22 400	102 600	16 400	425 000
Flexibility element	67 000	-	-	-	-	-	-	-	-	-	-	-	67 000
TOTAL	275 300	137 000	2 558 200	668 200	134 500	3 360 900	103 100	472 800	125 300	32 400	733 600	398 800	4 905 600
Overheads allocated	\$412 300		234 700	61 300	12 300	308 300	9 500	43 400	11 500	3 000	67 400	36 600	-
AMOUNT TO BE RECOVERED FROM EACH COST CENTRE			2 792 900	729 500	146 800	3 669 200	112 600	516 200	136 800	35 400	801 000	435 400	4 905 600 ^{a/}

^{a/} Based on an exchange rate of SwF 1.73 to the United States dollar.

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Table 2

INTERNATIONAL COMPUTING CENTRE

SUMMARY OF BUDGET ESTIMATES BY PURPOSE OF EXPENDITURE

<u>Purpose of expenditure</u>	<u>Estimated requirements a/</u> 1980	<u>Approved estimates b/</u> 1979	<u>1980 budget line</u> <u>as percentage of</u> <u>over-all 1980</u> <u>budget</u>	<u>1979 budget line</u> <u>as percentage of</u> <u>over-all 1979</u> <u>budget</u>
	\$	\$	%	%
Salaries and related costs	1 340 000	1 657 700	27.32	32.70
Duty travel	5 000	5 300	0.10	0.10
Consultants	600	600	0.01	0.02
Supplies	215 000	225 700	4.38	4.45
Equipment rental and related costs	2 850 000	2 663 700	58.10	52.55
Technical literature	3 000	3 100	0.06	0.06
Common services	425 000	441 800	8.66	8.72
Flexibility element	<u>67 000</u>	<u>81 000</u>	<u>1.37</u>	<u>1.40</u>
Total	4 905 600	5 068 900	100.00	100.00

a/ Based on an exchange rate of SwF 1.73 to the United States dollar.

b/ Based on an exchange rate of SwF 1.63 to the United States dollar.

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Table 3
 INTERNATIONAL COMPUTING CENTRE
 SUMMARY OF ALL ORGANIZATIONAL UNITS

<u>Number of posts</u>		<u>Organizational unit</u>	<u>Estimated</u>	<u>Approved</u>	<u>1980 budget line</u>	<u>1979 budget line</u>
<u>1980</u>	<u>1979</u>		<u>requirements a/</u>	<u>estimates b/</u>	<u>as percentage of</u>	<u>as percentage of</u>
			<u>1980</u>	<u>1979</u>	<u>over-all 1980</u>	<u>over-all 1979</u>
			\$	\$	%	%
3	3	Office of the Director	275 300	306 100	5.61	6.04
11	11	Development and Operational Services Branch	3 497 900	3 492 600	71.30	68.90
18	18	Production Services Branch	733 600	822 200	14.96	16.22
11	11	User Services Branch	398 800	448 000	8.13	8.84
43	43	Total	4 905 600	5 068 900	100.00	100.00

a/ Based on an exchange rate of SwF 1.73 to the United States dollar.

b/ Based on an exchange rate of SwF 1.63 to the United States dollar.

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Table 4

THE FUNDING OF THE ICC BUDGET FOR 1980

<u>Source of funds</u>	<u>Amount in US dollars</u>	<u>Probable pattern of expenditure (percentage per branch)</u>			
		<u>DOS</u> <u>%</u>	<u>PSB</u> <u>%</u>	<u>USB</u> <u>%</u>	<u>Total</u> <u>%</u>
United Nations	1 777 880	84.1	12.4	3.5	100.0
WHO	1 400 000	68.6	31.1	0.3	100.0
UNDP	296 000	46.6	19.6	33.8	100.0
UNICEF	116 000	92.5	7.5	0.0	100.0
ILO	173 000	70.7	28.0	1.3	100.0
WMO	32 700	83.8	16.2	0.0	100.0
UNRISD	39 700	84.9	15.1	0.0	100.0
UNEP	100 950	90.3	9.2	0.5	100.0
GATT	153 000	79.8	20.1	0.1	100.0
WIPO	83 220	54.9	42.7	2.4	100.0
IBE	35 000	72.6	18.3	9.1	100.0
ITC	<u>60 000</u>	<u>76.0</u>	<u>14.8</u>	<u>9.2</u>	<u>100.0</u>
Total participant funds	4 267 450	75.6	20.2	4.2	100.0
Others <u>a/</u>	<u>638 150</u>	<u>74.0</u>	<u>12.4</u>	<u>13.6</u>	<u>100.0</u>
Total funds	4 905 600 <u>b/</u>	74.8	16.3	8.9	100.0

a/ The "others" funding will come from non-participant usage of the ICC facilities, and from those participants who may exceed their stated usage while not exceeding the budget authorized by their own organization for data processing.

b/ Based on an exchange rate of SwF 1.73 to the United States dollar.

Table 5

INTERNATIONAL COMPUTING CENTRE

BUDGET ESTIMATES FOR 1980 IN THE UNITED NATIONS FORMAT
 (in thousands of US dollars)

<u>Purpose of expenditure</u>	<u>Approved</u>	<u>Estimated 1980 requirements b/</u>		<u>Total 1980 estimated budget b/</u>		
	<u>1979 estimates a/</u>	<u>Maintenance of 1979 programme</u>	<u>Programme growth</u>	<u>At 1979 rates</u>	<u>Inflation</u>	<u>At 1980 rates</u>
Salaries and related costs	1 657.7	1 561.8	(261.8)	1 300.0	40.0	1 340.0
Duty travel	5.3	5.0	-	5.0	-	5.0
Consultants	0.6	0.6	-	0.6	-	0.6
Supplies	225.7	212.7	(3.7)	209.0	6.0	215.0
Equipment rental and related costs	2 663.7	2 509.7	145.3	2 655.5	195.0	2 850.0
Technical literature	3.1	2.9	-	2.9	0.1	3.0
Common services	441.8	416.3	(4.3)	412.0	13.0	425.0
Flexibility element	71.0	67.0	-	67.0	-	67.0
Total	5 068.9	4 776.0	(124.5)	4 651.5	254.1	4 905.6

a/ Based on an exchange rate of SwF 1.63 to the United States dollar.

b/ Based on an exchange rate of SwF 1.73 to the United States dollar.

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II. Revised estimates under section 28 G. Electronic Data Processing and Information Systems Division - International Computing Centre, Geneva (United Nations share)

13. A provisional amount of \$3,136,400 was included in the 1980-1981 proposed programme budget (A/34/6, paras. 28 G.17-28 G.24) for the United Nations share of the cost of operations of ICC pending the approval of the budget proposals of the Centre by ACC. This amount reflected a decrease of \$566,000 from the 1978-1979 appropriations and was based on a revised estimated level of expenditures for the 1978-1979 biennium including a reduction of \$160,000 in the usage of ICC services by the United Nations Office at Geneva due to the proposed rental and installation beginning 1980 of a work station of greater capability in the Palais des Nations as indicated in paragraphs 28 H.12 and 28 H.13 of the 1980-1981 proposed programme budget.

14. The latest review made of the actual cost of services to each of the United Nations users in Geneva in 1978, the estimated cost for 1979 projected on the basis of the utilization of ICC services as at the end of August 1979 and the latest estimates provided ICC by users for the 1980-1981 biennium are summarized below:

<u>User</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>(F-C)</u>	
	<u>1978</u>	<u>1979</u>	<u>1978- 1979</u>	<u>1980</u>	<u>1981</u>	<u>1980- 1981</u>	<u>Increase/ (decrease)</u>	
			(in thousands of US dollars)					
Statistical Office	614.0	618.8	1,232.8	619.8	651.3	1,271.1	38.3	
UNCTAD	468.5	722.2	1,190.7	637.8	668.8	1,306.6	115.0	
ICE	80.5	106.9	187.4	141.2	151.3	292.5	105.1	
UNOG	225.9	271.7	497.6	369.1	388.0	757.1	259.5	
UNIDO	<u>14.1</u>	<u>9.3</u>	<u>23.4</u>	<u>10.0</u>	<u>10.0</u>	<u>20.0</u>	<u>(3.4)</u>	
Total	1,403.0	1,728.9	3,131.9	1,777.9	1,869.4	3,647.3	515.4	

In paragraphs 28 H.12 and 28 H.13 of the proposed programme budget for 1980-1981 a proposal is made for the installation of a computer-connected work station in the United Nations Office at Geneva. Acceptance of this proposal would enable the estimated usage of ICC by the Office to be reduced by \$160,000, thereby reducing the total 1980-1981 estimated usage of ICC by the United Nations to \$3,487,300.

15. A comparison of the estimated usage of ICC between the 1978-1979 and the 1980-1981 biennium shows the following:

- (i) A growth in usage by the Statistical Office (\$38,300) will arise from the increasing number of countries regularly providing machine readable trade data and the volume of data supplied by each reporting country. This also reflects the continuing increase in the number of commodities reported as a result of the Standard International Trade Classification (SITC Rev.2) adopted in 1976.

- (ii) The usage by UNCTAD is based on six systems, namely: (a) financing related to trade system, (b) system for quantitative policy models of commodities, (c) central economic data system, (4) information system on imports and barriers to trade, (d) financial flows from OPEC to other developing countries, and (e) EDP application for the Office of Administration. The primary reason for the increased usage by UNCTAD (\$115,900) will result from the continuing use of the data bank of the financing related to trade system, which was enlarged in 1979 to include information which would permit analysis of the growing debt burden of developing countries (i) by type of lender, and (ii) in light of the debt-serving ability of each country and the preparation of reports pursuant to General Assembly resolutions 3202 (S-VI) and 3362 (S-VII).
- (iii) The increased usage for ECE (\$105,100) reflects a continuation of the joint ECE/ECLA project on Latin American/European economic relationships undertaken as a result of resolution 2043 (LXI) of the Economic and Social Council, the progressive improvement of the ECE information system and an anticipated growth of approximately 8 per cent in workload.
- (iv) For the United Nations Office at Geneva, in addition to the normal increase in the work volume of existing systems, it is planned to (a) develop and implement new systems which would include computerizing the short-term staff payroll system, medical insurance claim system, passport and visas reporting system and the Conference Division reporting system, including the forecasting and preparation of the schedules of meetings serviced by the Office, (b) complete conversion of the present accounts system to the Headquarters system, (c) modify the regular payroll system to provide for the production of taxable earnings, link the payroll and personnel systems and establish a computer-based subsidiary ledger to handle salaries, assignments, salary advances, education grant advances and travel advances and (d) make improvements to the budget and personnel information systems. The estimated increase in the cost of computer services, if provided by ICC would amount to \$259,500. However, approval of the rental and installation of a more sophisticated work station linked to the central computer of ICC would allow for a reduction in the cost of such services of \$160,000, thereby reducing the estimated increased requirements to \$99,500.
- (v) A decrease in the usage by UNIDO (\$3,400) may be realized as a result of the levelling off of the increased demand for trade statistics, in machine readable form, which occurred in the 1978-1979 biennium.

16. These revised estimated requirements amounting to \$3,487,300 represent an increase of \$350,900 above the provisional amount which was included in the 1980-1981 proposed programme budget. However, experience has shown that in some instances during the early stages of new system development results have lagged behind expectations. Therefore, pending actual experience in the implementation of this work programme, increased appropriations above the provisional amount of \$3,136,400 are not being requested at this time. Should additional resources be required for the 1980-1981 biennium for the United Nations share of the cost of the operations of ICC a request would be presented to the thirty-fifth session of the General Assembly in the context of the submission of the 1981 budget estimates of ICC.