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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985

United Nations Conference on Trade and Development (UNCTAD)

Preparatory work for bringing the Common Fund into operation

Note by the Secretary-General

1. 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 meeting, 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.

2. In its resolution 35/226 A of 17 December 1980, the General Assembly appropriated an amount of \$1,750,500 under section 15, UNCTAD, of the programme budget for the biennium 1980-1981 to finance an advance required for the preparatory work for bringing the Common Fund into operation. That provision, which was appropriated on a non-recurrent and reimbursable basis, was fully offset by the same amount under income section 2, General income, of the 1980-1981 programme budget, reflecting the reimbursement due the United Nations from the Common Fund when the Fund was declared operational.

* A/38/150.

3. At its thirty-sixth session, the General Assembly considered a note by the Secretary-General contained in document A/C.5/36/37 and, by its resolution 36/240 A, appropriated an amount of \$1,174,500 under section 15 of the programme budget for the biennium 1982-1983, which represented the unspent balance of the advance of \$1,750,500 that it had approved under the 1980-1981 programme budget. Appropriate adjustments were made in the context of the second performance report on the programme budget for the biennium 1980-1981 to reduce the estimates under income section 2 by an amount of \$1,750,500, since the reimbursement due to the United Nations from the Common Fund was not expected in the biennium 1980-1981. An estimate of \$1,750,500 was included in income section 2 of the programme budget for the biennium 1982-1983, representing the reimbursement for expenditures of \$576,000 incurred against the advance in the biennium 1980-1981 and the appropriation of \$1,174,500 made for the biennium 1982-1983.

4. From the advance of \$1,174,500 appropriated in the biennium 1982-1983, it is estimated that expenditures would amount to \$232,500, made up of salaries and common staff costs - \$194,800; consultant services - \$7,700; and travel of staff - \$30,000. The estimated level of expenditures in the biennium 1982-1983 is below the amount advanced, since the Preparatory Commission did not meet during the biennium. That affected the requirements not only for meetings services but for other objects of expenditure.

5. At its sixth session, UNCTAD, in resolution 153 (VI), urged that "all efforts be made in order that the operations of the Fund begin as soon as possible after the Agreement establishing the Common Fund enters into force, and preferably by 1 January 1984", and requested the Preparatory Commission "to finalize expeditiously the work on administrative, legal, procedural, operational and financial matters".

6. It is expected that the meetings of the Preparatory Commission which were planned for the 1982-1983 biennium would be held in 1984. In order to service these meetings and to provide such support as the Fund may require pending receipt of the subscriptions of members of the Common Fund, it is anticipated that the unspent balances of the advance would be fully utilized in the biennium 1984-1985.

7. In the second performance report on the programme budget for the biennium 1982-1983, the Secretary-General will indicate a reduction of \$942,000 under section 15, UNCTAD, representing the unspent portion of the advance of \$1,174,500 approved by the General Assembly. Income section 2, General income, will indicate a reduction of \$1,750,500, since the reimbursement due to the United Nations from the Common Fund is not expected in the biennium 1982-1983. Also to be included in the second performance report will be a reduction under section 31, Staff assessment, of \$49,700 and a reduction under income section 1, Income from staff assessment, of the same amount to reflect the lower level of estimated staff assessments in the biennium 1982-1983.

8. The Secretary-General recommends that the General Assembly approve an appropriation of \$942,000 under section 15 of the programme budget for the biennium 1984-1985, which represents the unspent balance of the advance of \$1,174,500 that it approved under the 1982-1983 programme budget for the preparatory work for

bringing the Common Fund into operation. This provision in the 1984-1985 budget, together with the estimated expenditures in the biennium 1980-1981 and 1982-1983 of \$576,000 and \$232,500, respectively, would be fully offset by an amount of \$1,750,500 under income section 2 of the 1984-1985 programme budget, representing the reimbursement due the United Nations from the Common Fund once the Fund is declared operational. Such reimbursement will have first claim against the revenues of the Common Fund. Provisions for staff assessment estimated at \$49,700 would also be required under section 31, offset by a corresponding amount in income section 1 of the 1984-1985 programme budget.

9. For the Agreement establishing the Common Fund to enter into force, it must be signed and ratified, accepted or approved by at least 90 States, whose total subscriptions of shares of directly contributed capital must comprise not less than two thirds of the total subscriptions of shares of directly contributed capital allocated to all States specified in schedule A to the Agreement. As of 30 August 1983, the Agreement had been signed by 109 States, of which 56 had deposited instruments of ratification, acceptance or approval. The time-limit for fulfilling the requirements for entry into force of the Agreement has been extended to 30 September 1983, pursuant to article 57, paragraph 1, of the Agreement. The Agreement provides for further extension of the time-limit should the requirements for entry into force of the Agreement not be met by that date.
