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PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979
HUMAN SETTLEMENTS

Proposed programme budget support of the United Nations
Habitat and Human Settlements Foundation for the period
1 January-30 June 1979

Report of the Executive Director, United Nations Centre
for Human Settlements (Habitat)

INTRODUCTION

1. This budget proposal is hereby submitted for consideration by the General Assembly. Financial rule 303.5 provides for the submission of the proposed programme budget of the United Nations Habitat and Human Settlements Foundation (UNHHSF) to be made to the Commission on Human Settlements. The Commission on Human Settlements was unable, at its first session in April 1978, to review a budget proposal for the Foundation.

Accordingly, the Governing Council of UNEP at its sixth session reviewed a draft proposed budget (UNEP/006/12) and in decision 6/12 decided that

"as an interim measure to meet the existing situation, and without any prejudice to the full responsibility of the Commission on Human Settlements over the Foundation, to extend the authorization given by its decision 94 (V) of 24 May 1977 for expenditures for programme support costs for the United Nations Habitat and Human Settlements Foundation until 31 December 1978, subject to the following conditions:

"(a) That such expenditure, together with expenditures on projects and all such other commitments as may arise, shall not exceed the resources actually available to the Foundation;

"(b) That detailed budget proposals shall be submitted to the Advisory Committee on Administrative and Budgetary Questions for review in June 1978."

2. Detailed budget proposals for the period 1 July-31 December 1978 were subsequently submitted by the Administrator of the Foundation to the Advisory Committee in June 1978, which concluded 1/ that the staff of the Foundation during the remainder of 1978 should not exceed the current staffing of 9 Professional and above, and 14 General Service posts. The Advisory Committee also drew "attention to the need for interim action by the General Assembly to enable the Foundation to make disbursements for projects and for programme support between 1 January 1979 and the time when the budget of the Foundation will be approved by the Commission on Human Settlements at its second session". The staffing of the Foundation has subsequently been maintained at the recommended level, and this proposal for interim action by the General Assembly is presented in conformity with the observations of the Advisory Committee. This current proposal is thus limited to the period 1 January-30 June 1979 and relates only to extrabudgetary resources. No request is made within this budget proposal for the appropriation of any regular budget resources, as UNHHSF is financed entirely from extrabudgetary resources, in accordance with financial rule 307.5. Future requirements of UNHHSF beyond 30 June 1979 will be the subject of a proposal to be placed before the second session of the Commission on Human Settlements.

I. STATE OF RESOURCES

3. The year 1979 will be the first year of operation for the Foundation in which it will be entirely dependent upon voluntary contributions. The initial allocation of a total of \$4 million over four years (1975-1978) from the Environment Fund ceases as of 31 December 1978. The Executive Director of the Centre for Human Settlements is thus aware of the need to proceed with maximum caution at this stage. Resources available as of 1 January 1979 have been calculated (see annex) to be \$2,816,100, while programme support requirements are presently expected to be in the region of \$800,000 for the full year 1979, and project funds available up to 1980 would total \$1,734,500, including \$765,000 already committed. 2/

4. The Pledging Conference of 7 November 1978, held pursuant to resolution 32/173, helped to clarify the financial picture for the Foundation in 1979. However, as the cash flow of Foundation operations is sensitive to the timing of the payment of pledges, it has been determined that proposals for the utilization of these additional funds will be formulated between now and the time of the second session of the Commission on Human Settlements, at which time a more precise picture of actual cash resources should be available.

II. ESTIMATE OF REQUIRED RESOURCES

5. The estimates for the period 1 January 1979 to 30 June (tables 1-4) are based upon (virtually) the same criteria which governed the programme support budget

1/ Letter of 22 June from the Chairman of the Advisory Committee to the Secretary-General.

2/ This basis has been used in accordance with the recommendations of the Advisory Committee contained in the letter of 22 June 1978 referred to above.

recommendations of the Advisory Committee for the present period (1 July-31 December 1978). Thus it is proposed to hold the staffing of the Foundation well within the establishment approved by the Governing Council of UNEP at its sixth session and to operate it with only the existing level of staffing (9 Professional and above and 14 General Service). Tables 5 to 8 reflect this proposed level of staffing in the three subprogrammes of the Foundation. This arrangement will be the subject of further review in the light of available resources by the Commission on Human Settlements at the time of its second session.

6. The estimates have also taken into account the operation of the Foundation as a part of the United Nations Centre for Human Settlements (Habitat) in the office premises of the Kenyatta Conference Centre, which are being provided on a rent-free basis by the Government of Kenya. Thus the estimates for general operating expenses, supplies and materials and furniture and equipment are based on the assumption that some of the United Nations Centre for Human Settlements (Habitat) costs for these items are being met from section 13B of the regular budget and part from the programme support costs budget of UNHHSF. However, no element of cross-subsidization between these two budgets is proposed. The move of office premises by 1 July 1978 was proposed in the programme support budget of UNHHSF for the period 1 July-31 December 1978. The Advisory Committee indicated that it was not convinced of the need for the move in 1978, but, unfortunately, it had been completed by the time the letter of the Chairman of the Advisory Committee had been transmitted to Nairobi. Nevertheless, the budgetary consequences of the move have been contained to the maximum extent possible. With the move of some staff of the Centre for Housing, Building and Planning from New York to Nairobi in October 1978 and the shortage of accommodation at Gigiri (UNEP headquarters) the Administrator of UNHHSF is convinced that there was no practical alternative to taking up the Kenyatta Conference Centre accommodation during 1978.

7. All other objects of expenditure in the UNHHSF programme support costs budget represent maintenance level requirements which must be met to ensure the continued operation of UNHHSF until such time as the Commission on Human Settlements can review its needs in the over-all context of the operation of the Centre for Human Settlements as a whole.

8. While UNHHSF operated under the auspices of the United Nations Environment Programme (UNEP), its needs for a financial reserve were covered by the existence of the UNEP Fund financial reserve. However, with the transfer of UNHHSF to Habitat, the need for the establishment of a separate financial reserve for UNHHSF, in accordance with financial rule 303.1(b), has become an imperative. It is proposed that it be established initially at a level of \$281,600, this amount being equivalent to approximately 10 per cent of projected activity in 1979.

III. RECOMMENDATION

9. The Executive Director recommends that the General Assembly may wish, while noting the need for interim action on its part, pending the assumption of the Commission on Human Settlements of its full responsibilities under resolution 32/162:

/...

(a) To approve the allocation from the resources from the Foundation of \$394,900 for programme support costs of UNHHSF for the period 1 January to 30 June 1979;

(b) To establish a financial reserve of \$281,600;

(c) To allocate the balance of resources for programme purposes in accordance with financial rule 303.1, having due regard for the need to maintain an adequate carry-over of resources from one financial period to the next.

Annex

PROJECTED RESOURCE AVAILABILITY AND UTILIZATION AS OF 1 JANUARY 1979
(In United States dollars)

\$

Income

Expected carry-over from 1978	2 816 100*
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Expenditure

Estimated programme support costs (approximate) 1979	800 000
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Reserve fund	281 600
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Subtotal	1 081 600
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Project commitments already made	765 000
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Funds available for future commitments	969 500
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Grand total	2 816 100
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* This includes pledges of \$942,049 made at the November 1978 Pledging Conference.

Table 1

REQUESTED APPROPRIATIONS: FIRST HALF OF 1979

UNHHSF: ALL PROGRAMMES

(In United States dollars)

	\$
Established posts	195 500
Temporary assistance	17 300
Consultants	3 100
Overtime	<u>1 200</u>
Total salaries	<u>217 100</u>
Common staff costs	97 800
Travel	40 000
Contractual services	<u>15 300</u>
Rental and maintenance of equipment	2 900
Communications	1 700
Conference servicing	1 700
Miscellaneous	<u>700</u>
Total general operating expenses	<u>7 000</u>
Supplies and materials	7 000
Furniture and equipment	<u>10 700</u>
Grand total	<u><u>394 900</u></u>

Table 2

REQUESTED APPROPRIATIONS: FIRST HALF OF 1979

Executive direction and management

(In United States dollars)

	\$
Established posts	68 300
Common staff costs	34 200
Travel	<u>14 000</u>
Total	<u>116 500</u>

Table 3

REQUESTED APPROPRIATIONS: FIRST HALF OF 1979

Financial and technical services

(In United States dollars)

	\$
Established posts	78 000
Consultants	<u>3 100</u>
Total salaries	<u>81 100</u>
Common staff costs	39 000
Travel	<u>22 000</u>
Grand total	<u>142 100</u>

Table 4

REQUESTED APPROPRIATIONS: FIRST HALF OF 1979

Administration and common services
(In United States dollars)

	\$
Established posts	49 200
Temporary assistance	17 300
Consultants	-
Overtime	<u>1 200</u>
Total salaries	<u>67 700</u>
Common staff costs	24 600
Travel	4 000
Contractual services	<u>15 300</u>
Rental and maintenance of equipment	2 900
Communications	1 700
Conference servicing	1 700
Miscellaneous	<u>700</u>
Total general operating expenses	<u>7 000</u>
Supplies and materials	7 000
Furniture and equipment	<u>10 700</u>
Grand total	<u>136 300</u>

Table 5

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

ESTABLISHED POST REQUIREMENTS

<u>Professional and higher level</u>	<u>As approved per UNEP/GC/64 (1976-1977)</u>	<u>Utilization proposed first half of 1979</u>
ASG	1	1
D-2	2	-
D-1	3	3
P-5	5	1
P-4	8	2
P-3	8	2
P-2/1	<u>1</u>	<u>-</u>
Total	<u>28</u>	<u>9</u>
General Service		
Principal level (G-5)	8	-
Local level	<u>49</u>	<u>14</u>
Total	<u>57</u>	<u>14</u>
Grand total	<u>85</u>	<u>23</u>

Table 6

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

ESTABLISHED POST REQUIREMENTS

Subprogramme for executive direction and management

<u>Professional and higher level</u>	<u>As approved per UNEP/GC/64 (1976-1977)</u>	<u>Utilization proposed first half of 1979</u>
ASG	1	1
D-2	-	-
D-1	1	1
P-5	-	-
P-4	2	-
P-3	2	1
P-2/1	-	-
Total	<u>6</u>	<u>3</u>
General Service		
Principal level (G-5)	3	-
Local level	<u>7</u>	<u>4</u>
Total	<u>10</u>	<u>4</u>
Grand total	<u>16</u>	<u>7</u>

Table 7

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

ESTABLISHED POST REQUIREMENTS

Subprogramme for financial and technical services

<u>Professional and higher level</u>	<u>As approved per UNEP/GC/64 (1976-1977)</u>	<u>Utilization proposed first half of 1979</u>
ASG	-	-
D-2	1	-
D-1	1	1
P-5	3	1
P-4	3	1
P-3	2	1
P-2/1	-	-
Total	<u>10</u>	<u>4</u>
General Service		
Principal level	2	-
Local level	<u>12</u>	<u>5</u>
Total	<u>14</u>	<u>5</u>
Grand total	<u>24</u>	<u>9</u>

Table 8

UNITED NATIONS HABITAT AND HUMAN SETTLEMENTS FOUNDATION

ESTABLISHED POST REQUIREMENTS

Subprogramme for administration and management services

<u>Professional and higher level</u>	<u>As approved per UNEP/GC/64 (1976-1977)</u>	<u>Utilization proposed first half of 1979</u>
ASG	-	-
D-2	1	-
D-1	1	1
P-5	2	-
P-4	3	1
P-3	4	-
P-2/1	<u>1</u>	<u>-</u>
Total	<u>12</u>	<u>2</u>
General Service		
Principal level (G-5)	3	-
Local level	<u>30</u>	<u>5</u>
Total	<u>33</u>	<u>5</u>
Grand total	<u>45</u>	<u>7</u>
