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### DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION: HUMAN SETTLEMENTS

#### Programme budget implications of draft resolution A/C.2/44/L.24/Rev.2

#### Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

##### A. Request contained in the draft resolution

1. The fifth preambular paragraph of the draft resolution contained in document A/C.2/44/L.24/Rev.2 would take into account the need of the United Nations Conference on Trade and Development for extra funds to prepare the comprehensive study on the economy of the occupied Palestinian territory requested by the Trade and Development Board in resolution 239 (XXIII) of 9 October 1981. Under the terms of operative paragraphs 6 and 7 of the draft resolution, the General Assembly would request the Secretary-General to make available to the United Nations Conference on Trade and Development from the United Nations regular budget, the extra funds needed to prepare the comprehensive study on the economy of the occupied Palestinian territory. The General Assembly would also request the Secretary-General to report to it at its forty-sixth session, through the Economic and Social Council, on the progress made in implementation of the resolution.

##### B. Relationship of proposed request to the proposed programme of work

2. The activity proposed would fall under section 15 (United Nations Conference on Trade and Development), Executive Direction and Management, programme element 1.5 (Special Economic Unit), of the proposed programme budget for 1990-199

C. Activities by which the proposed request would be implemented

3. Should the General Assembly adopt draft resolution A/C.2/44/L.24/Rev.2, the Secretary-General would undertake the preparation of the comprehensive study on the economy of the occupied Palestinian territory referred to in the fifth preambular paragraph and requested in operative paragraph 6.

D. Modification required in the proposed programme of work

4. Activities in this area are programmed under section 15 (UNCTAD), Executive Direction and Management, programme element 1.5 (Special Economic Unit), of the proposed programme budget for 1990-1991. Should the draft resolution be adopted, the following output would be added to programme element 1.5:

Preparation of a comprehensive study on the economy of the occupied Palestinian territory.

E. Additional requirements at full cost

5. While the proposed programme budget for 1990-1991 does not provide for such a comprehensive study, provision has been made for related activities under section 15 (UNCTAD), Executive Direction and Management, as follows:

Programme element 1.5: (i) two reports to the Trade and Development Board on developments in the economic conditions of the Palestinian people in the West Bank and Gaza Strip, and on studies and surveys on sectoral and intersectoral issues relevant to the growth and development of the Palestinian economy; and (ii) technical publications of statistical series and research abstracts on the Palestinian economy.

6. It is envisaged that related ongoing work mandated by programme element 1.5 (Special Economic Unit) would contribute to the requested comprehensive study on the economy of the occupied Palestinian territory, and that a portion of the costs of preparing the comprehensive study could be absorbed within related resources already included in the programme budget for 1990-1991, as follows:

(a) Consultants' fees (8 work-months)	\$ 40,000
(b) Travel and subsistence of staff (4 trips to region)	20,000
(c) Professional staff (24 work-months)	210,000
(d) Secretarial staff (12 work-months)	67,000
(e) General operating expenses	35,000
Total	\$372,000

7. It is estimated that additional costs for preparing the comprehensive study on the economy of the Palestinian territory would amount to \$420,000, as itemized below:

(a) Consultants' fees and travel	\$290,000
(b) <u>Ad hoc</u> expert group meeting	50,000
(c) Travel and subsistence of staff	20,000
(d) General temporary assistance	<u>60,000</u>
Total	<u>\$420,000</u>

#### F. Potential for absorption

8. Of the total amount of \$792,000 required to prepare the comprehensive study on the economy of the Palestinian territory, it is anticipated that the sum of \$372,000 could be absorbed within the resources requested under section 15 (UNCTAD) of the proposed programme budget for 1990-1991, as indicated in paragraph 6 above.

#### G. Indication of additional resource requirements

9. Should the General Assembly adopt draft resolution A/C.2/44/L.24/Rev.2, it is estimated that additional resources amounting to \$420,000 would be required to implement operative paragraph 6.

#### H. Contingency fund

10. The proposed programme budget for the biennium 1990-1991 does not provide for the activities described in paragraph 1 which would require an additional amount of \$420,000 to complete.

11. Under the new budgetary procedures established by the General Assembly in its resolutions 41/213 and 42/211, additional expenditures proposed over and above those in the proposed programme budget should be accommodated within a contingency fund, set at \$15 million for the biennium 1990-1991 by the General Assembly in its resolution 42/214 of 21 December 1988. Under the new procedures, if additional expenditures are proposed that exceed resources available from the contingency fund, these activities can be implemented only through redeployment of resources from low priority or modifications of projected activities. Otherwise, such additional activities will have to be deferred until a later biennium. A consolidated statement of all programme budget implications and revised estimates will be submitted to the General Assembly towards the end of the current session.

12. The Secretary-General is not in a position to propose the termination, deferral, curtailment or modification of any activity of the proposed programme budget for the biennium 1990-1991 in order to finance the additional costs of \$420,000 detailed in paragraph 7 above, which are required to prepare the comprehensive study on the economy of the Palestinian territory requested in operative paragraph 6 of draft resolution A/C.2/44/L.24/Rev.2.

13. The possible postponement of the preparation of the comprehensive study to a future biennium cannot be ruled out at this stage, in view of the fact that it has not been possible to propose the termination, deferral, curtailment or modification of any activity in the proposed programme budget for the biennium 1990-1991 in order to finance the additional costs relating to the preparation of the comprehensive study.

14. Therefore, the Second Committee is requested to note that no activity has been identified for termination, deferral, curtailment or modification under the proposed programme budget for 1990-1991 in order to finance the activities required, in the event that the General Assembly adopts draft resolution A/C.2/44/L.24/Rev.2. Should it not prove possible to finance from the contingency fund the additional costs related to the preparation of the comprehensive study on the economy of the Palestinian territory, postponement of the preparation of the study may be required, as provided for in the guidelines for use of the contingency fund annexed to General Assembly resolution 42/211.

15. An additional appropriation of \$24,400 would be required under section 3. (Staff assessment) of the proposed programme budget for the biennium 1990-1991, which would be offset by an increase of the same magnitude in the estimates of income under income section 1 (Income from staff assessment).

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