UNITED NATIONS

GENERAL ASSEMBLY

Distr.
GENERAL

A/C.5/34/11
24 September 1979

ORIGINAL: ENGLISH

Thirty-fourth session
FIFTH COMMITTEE
Agenda item 98

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

Revised estimates resulting from decisions of the Economic and Social Council at its first and second regular sessions, 1979

Part I: transfer of the headquarters of the Economic Commission for Western Asia to Baghdad

1. The Economic and Social Council, at its second regular session, 1979, adopted decision No. 1979/49 under which it endorsed the recommendation contained in resolution 67 (VI) adopted by the Economic Commission for Western Asia (ECWA) on 29 April 1979, thereby approving the relocation of the headquarters of the Commission from Beirut to Baghdad, its permanent headquarters, in response to the invitation of the Government of Iraq.

2. At the time of the adoption of that decision, a statement of financial implications 1/ was submitted to the Council. The estimated additional costs related to the transfer of the secretariat of ECWA, based on a certain number of assumptions, were estimated at $383,400 in 1979 and $1,422,200 in 1980-1981. It will be recalled in this connexion that the proposed programme budget of ECWA for the biennium 1980-1981 was prepared before the Commission took a decision on the subject of the transfer, and was based on the assumption that "the headquarters of the Commission would be located in Beirut during the whole period".

3. The estimates submitted to the Council have now been reviewed and recalculated on the basis of the following plan:

(a) The move to Baghdad will be undertaken in stages beginning in January 1980 and ending in the summer of that year, thus obviating the need for supplementary estimates for the 1978-1979 biennium;

(b) All the Professional staff now serving in ECWA, namely 78 staff members, will be transferred to Baghdad. On the other hand, against the staffing table of

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148 General Service posts proposed for 1980-1981, 115 staff members would be invited to continue serving ECWA in Baghdad as international recruits, thus leaving 33 posts available for local recruitment in Baghdad;

(c) In the temporary building to be provided by the host Government all the necessary facilities for the Secretariat and for meetings will be available at no cost under the regular budget, including furniture, office equipment and conference equipment.

Established posts

4. On the basis of information currently available, the projected post adjustment index in Baghdad is estimated at 1.41 and 1.48 in 1980 and 1981 respectively, as against 1.50 and 1.65 in Beirut. On the basis of a preliminary survey based on the prevailing salary rates in Baghdad, the net standard salary costs for General Service staff are estimated at $7,600 in 1980 and $8,100 in 1981 as compared to $8,500 and $9,100 in Beirut respectively. In the case of internationally recruited General Service staff however, additional payments for non-residents' allowance will be made. It is estimated that the annual allowance would be set at 1,000 dinars, or $3,400. On that basis it is estimated that salary charges in Baghdad will be some $48,000 higher than initially provided for under section 14 of the proposed programme budget for 1980-1981, as shown in table 1 below.

Table 1

Salaries		$
Revised rates a/		8,305,000
Beirut rates b/		(8,941,000)
Non-resident allowance		
$\$6,800 \times \frac{21}{24} \times 115$		684,300
	Net	48,300

a/ Based on an average distribution of 3 months in Beirut and 21 months in Baghdad.

b/ As shown in the proposed programme budget for 1980-1981 (A/34/6).

Temporary assistance

5. Over the interim period of six months during which the relocation of the Commission secretariat will be staggered, the Division of Administration of ECWA will have to administer staff at both locations. It is estimated that in addition to its authorized establishment ECWA will require temporarily the services of one P-2/1 and eight General Service staff members who would be assigned to Baghdad in order to meet administrative demands there, including handling of personnel matters, issuance of travel authorizations, etc. The related cost is estimated at $70,500.

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6. On the other hand, it will be recalled that provision was made under temporary assistance in the initial estimates for the costs of 10 local level posts for security guards for the whole duration of the biennium. It is proposed that the related estimate ($205,400) be reduced to $50,400 to cover requirements during the first six months of 1980 only. It is thus estimated that the net temporary assistance requirements under this object of expenditure will be reduced by $84,500.

Common staff costs

7. While it is possible to identify the non-recurrent costs related to the transfer and to estimate some of the additional recurrent costs, it is extremely difficult at this stage to forecast a revised over-all ratio of common staff costs to salaries in 1980-1981. It should be noted however that 1978 expenditures in Beirut reflect an over-all ratio of 36 per cent, discounting any extraordinary expenditures related to the security situation at that duty station. For working purposes it is proposed therefore to retain under common staff costs the total provision made in the initial estimates, or $2,694,000, which represented 30 per cent of salary costs at Beirut rates, augmented by those identifiable costs referred above. In that connexion, it is estimated that the effect of the move will be threefold:

(a) Costs estimated at $1,440,000 will be incurred on a non-recurrent basis for the transfer of 78 Professional and 115 General Service staff members as shown in table 2 below:

Table 2. Non-recurrent transfer costs

	$
Travel expenses	53,000 a/
Household removal	423,000 b/
Unaccompanied baggage	76,000 c/
Transportation of privately-owned vehicles	103,000 d/
Installation grant	780,000 e/
	$1,440,000

a/ For 193 staff members and 317 dependants.

b/ Assuming that all internationally recruited General Service staff members would exercise their full entitlements.

c/ Assuming that all Professional staff members utilize their full entitlements.

d/ Assuming that two thirds of all staff members will utilize their entitlement of $800 per vehicle.

e/ Would cover 193 staff members and 317 dependants.

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(b) It is assumed that none of the Professional staff would immediately exercise their entitlement to household removal and would thus be entitled to an assignment allowance for a period not exceeding five years. The related recurrent costs are estimated at $323,300 for 1980-1981.

(c) In addition, it is estimated that the services of 20 local level staff members currently serving in Beirut would be terminated in 1980. The resulting non-recurrent cost for termination indemnities is estimated at $65,000.

8. On this basis, it is proposed to provide for an additional $1,828,300 under common staff costs in 1980-1981.

Travel of staff on official business

9. It is estimated that extraordinary travel costs will be incurred by the administrative staff during the six months' transitional period. A provision of $5,000 is requested for this purpose.

10. As regards the costs to be incurred for programme-related travel by substantive staff, it is estimated that they will not be affected by the relocation to Baghdad. On the other hand some savings in travel costs will be achieved as a result of the decision at the last session of ECWA that the seventh session of the Commission would be held in 1980 in that city. It will be recalled that, in the initial estimates, a provision of $86,500 was made for travel of staff to the sessions of the Commission on the assumption that two meetings scheduled during the biennium would be held away from the ECWA headquarters. This assumption is no longer valid; it is expected at this point that only the eighth session, scheduled for 1981, will be held in another capital city of the region. The resulting savings in travel funds is estimated at $41,000. Taking into account the additional requirements shown in paragraph 9 above, a net savings of $36,000 is anticipated.

General operating expenses

11. In the absence of experience regarding operating conditions in Baghdad, it is assumed that recurrent costs under this object will be at the same level as that provided for in the proposed programme budget for 1980-1981. On the other hand, non-recurrent freight costs will be incurred for removal of certain items of equipment, documents, books, files, etc. They are estimated at $52,000.

Acquisition of furniture and equipment

12. It will be recalled that a provision in the amount of $79,600 was included in the initial budget estimates under this object. This provision was intended to cover the costs of the furniture replacement programme, office equipment, reproduction equipment, replacement of four vehicles and building maintenance equipment. On the basis of the proposal made by the Government of Iraq, it is now understood that that Government will provide furniture for the building. Additionally, it is understood that the Government will provide all necessary equipment for the catering facilities and the library, as well as internal

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reproduction and conference services, including printing equipment, simultaneous interpretation, video and audio recording and transmission equipment. It is estimated, however, that costs will be incurred by ECWA in Baghdad as indicated in the following table:

Table 3

	$
Office equipment (typewriters, calculators, etc.)	16,000
Telex equipment	4,000
Replacement of the six vehicles comprising the ECWA fleet	49,000 a/
Building maintenance equipment	7,000
Total	76,000

a/ Given the climatic conditions prevailing in Baghdad, it is estimated that all ECWA vehicles - which have been in service for an average of five years - will have to be replaced by air-conditioned models.

13. Accordingly, it is proposed to reduce the existing provision under this heading by $3,600.

SUMMARY

14. An additional appropriation in the amount of $1,804,500 is requested under section 14 of the proposed programme budget for the biennium 1980-1981, as summarized in the table below:

Table 4

	Recurrent costs	Non-recurrent costs	Total costs
	$	$	$
Established posts	48,300	—	48,300
Temporary assistance	—	(84,500)	(84,500)
Common staff costs	323,300	1,505,000	1,828,300
Travel on official business	(41,000)	5,000	(36,000)
General operating expenses	—	52,000	52,000
Furniture and equipment	(79,600)	53,000 a/	(3,600)
	23,000 b/		
	274,000	1,530,500	1,804,500

a/ Second and third items of table 3 above.
b/ First and fourth items of table 3 above.
