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PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Budget and programme performance of the United Nations
for the biennium 1978-1979

Report of the Secretary-General

Addendum

Section 9. Economic Commission for Africa

SECTION 9. ECONOMIC COMMISSION FOR AFRICA

Table 9.1

(in thousands of United States dollars)

A. Regular budget						
Revised appropriation 1978-1979	Estimated additional requirements					Total revised estimate
	Inflation	Rates of exchange	Decisions of policy-making organs	Other changes	Total	
22 142.8	1 206.8	-	-	1 171.0	2 377.8	24 520.6

B. Extrabudgetary resources (substantive and administrative support)		
Previously estimated expenditures 1978-1979	Source of funds	Revised estimate
795.0	FAO	806.0
525.0	UNFPA	577.6
367.0	Bilateral sources	106.6
-	Fund of UNEP	217.5
-	Reimbursement of support costs	800.2
-	United Nations Trust Fund for African Development	131.6
1 687.0	Total, B	2 639.5

23 829.8	Total, A and B	27 160.1
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C. Extrabudgetary resources (operational projects)		
Previously estimated expenditures 1978-1979	Source of funds	Revised estimate
4 100.0	UNDP	9 126.0
3 366.0	UNFPA	1 449.5
1 254.0	Bilateral sources	4 757.8
1 000.0	United Nations Trust Fund for African Development	1 028.6
414.0	UNICEF	-
216.0	FAO	169.9
-	UNEP	-
-	United Nations Voluntary Fund for the Decade for Women	985.9
10 350.0	Total, C	

34 179.8	Total, A, B and C	
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Table 9.2

Regular budget: distribution of revised estimates by programme
(in thousands of United States dollars)

Programmes	Revised appropriations 1978-1979	Estimated additional requirements						Total 1978-1979 revised estimates
		Inflation	Rates of exchange	Decisions of policy-making organs	Redevelopment	Other changes	Total	
A. Policy-making organs	249.1	-	-	-	-	0.7	0.7	249.8
B. Executive direction and management	1 922.5	74.6	-	-	121.3	213.6	409.5	2 332.0
C. Programmes of activity:								
- Agriculture, forestry and fisheries	673.1	35.3			51.0	38.4	124.7	797.8
- Development planning, projections and policies	1 784.9	81.4			(69.4)	37.8	49.8	1 834.7
- Education and training	398.3	19.9			-	18.1	38.0	436.3
- Human settlements	258.6	19.9			-	(29.2)	(9.3)	249.3
- Industrial development	1 169.9	53.1			3.3	9.0	65.4	1 235.3
- International trade	1 159.9	56.7			89.2	108.2	254.1	1 414.0
- Labour, management and employment	113.1	9.1			1.0	23.0	33.1	146.2
- Natural resources	1 157.5	50.9			20.0	129.9	200.8	1 358.3
- Population	171.2	62.7			(12.5)	(42.7)	7.5	178.7
- Public administration and finance	463.6	21.2			24.2	75.3	120.7	584.3
- Science and technology	323.1	14.9			7.2	37.9	60.0	383.1
- Social development	927.1	43.6			(4.5)	55.1	94.2	1 021.3
- Statistics	1 163.7	60.6			(14.2)	172.1	218.5	1 382.2
- Transport, communications and tourism	1 241.9	44.6			(3.7)	15.2	56.1	1 298.0
D. Programme support:								
- Conference services	2 096.5	110.9			22.4	(27.7)	105.6	2 202.1
- Management of technical co-operation	293.0	13.2			(1.8)	(33.9)	(22.5)	270.5
- Administration and common services	6 575.8	434.2 ^{a/}			(233.5)	370.2	570.9	7 146.7
Total	22 142.8	1 206.8			-	1 171.0	2 377.8	24 520.6

a/ Comprising \$312,600 under common staff costs, \$25,700 under utilities, \$77,300 under supplies and materials and \$18,600 under furniture and equipment.

Table 9.3

Regular budget: distribution of estimated additional requirements
by programme and by main object of expenditure
(in thousands of United States dollars)

Programmes	Salaries and common staff costs	Travel	Printing	Other contractual services	General operating expenses	Supplies, materials, furniture and equipment	Other	Total
A. Policy-making organs	20.0	(19.3)						0.7
B. Executive direction and management	373.6	35.9						409.5
C. Programmes of activity:								
- Agriculture, forestry and fisheries	122.3	2.4						124.7
- Development planning, projections and policies	71.6	-	(21.8)					49.8
- Education and training	35.1	2.9						38.0
- Human settlements	(9.3)	-						(9.3)
- Industrial development	57.9	7.5						65.4
- International trade	246.6	7.5						254.1
- Labour, management and employment	33.1							33.1
- Natural resources	200.8							200.8
- Population	7.5							7.5
- Public administration and finance	120.7							120.7
- Science and technology	60.0							60.0
- Social development	72.3	24.1	(2.2)					94.2
- Statistics	244.9	1.0	(27.4)					218.5
- Transport, communications and tourism	61.1	-	(5.0)					56.1
D. Programme support:								
- Conference services	105.6							105.6
- Management of technical co-operation	(22.5)							(22.5)
- Administration and common services	200.0	2.5	-		246.4	122.0		570.9
Total	2 001.3	64.5	(56.4)	-	246.4	122.0		2 377.8

SECTION 9. ECONOMIC COMMISSION FOR AFRICA

I. Programme developments

9.1 The Economic Commission for Africa (ECA) has reported the following departures from the work programme as proposed under section 9 of the Secretary-General's programme budget for 1978-1979.

Education and training

9.2 Under subprogramme 3, the fellowship programme was constrained by the lack of extrabudgetary funds and the slow response of Member States.

Labour, management and employment

9.3 The preparation of profiles of manpower requirements for basic industries and of studies of skill analysis and methods of accelerated training was hampered by vacancies and difficulties in obtaining the services of consultants.

Public administration and finance

9.4 Under subprogramme 1, the completion of the studies on governmental structures and organizations dealing with development functions and of a review of procedures for procurement and supplies management was delayed by a shortage of staff and lack of extrabudgetary support.

II. Revised estimates (increase: \$2,377,800)

9.5 As indicated in table 9.1 above, the estimated deficit of \$2,377,800 is attributable in part to the effects of inflation (\$1,206,800) and in part to other changes (\$1,171,000).

9.6 The increase attributable to inflation reflects:

	\$
(a) General Service retroactive salary increases of 25 per cent as of January 1978 and 14 per cent as of January 1979 while the appropriations were based on the granting of two 10 per cent salary increases in July 1978 and July 1979, respectively	460,800
(b) The proposed payment of <u>ad hoc</u> allowances to both Professional and internationally recruited General Service staff as a compensation for retroactive rent increases, as explained in paragraphs 9-11 below	573,500
(c) Higher price increases than anticipated, mostly under communications, utilities, supplies and materials, and furniture and equipment	<u>172,500</u>
	<u>1,206,800</u>

9.7 The increase shown in table 9.1 as related to other changes (\$1,171,000) is attributable to a large extent (\$980,700) to an underestimation of the ratio of common staff costs to established post salaries, as explained in paragraph 9.12 below. The balance (\$190,300) represents the net effect of increases and decreases under all objects of expenditure, as described in paragraphs 9.9 to 9.11 below.

9.8 The offsetting entries in the column "redeployment" in table 9.2 reflect, for the most part, transfers of posts between programmes, as reported on in the proposed programme budget for the biennium 1980-1981.

Salaries and common staff costs (increase: \$2,001,300)

9.9 The estimated deficit of \$2,001,300 reflects shortfalls under established posts (\$460,800), common staff costs (\$1,554,200), temporary assistance for meetings (\$42,300) and overtime (\$71,100), partly offset by anticipated savings under general temporary assistance (\$90,500) and consultants (\$36,600).

9.10 The estimated deficit under established posts is entirely due to higher than anticipated salary increases for staff in the Local Level category, as indicated in paragraph 9.6 above.

9.11 Of the additional requirements of \$1,554,200 under common staff costs, \$573,500 relates to proposed measures designed to assist the staff in bearing the consequences of a drastic and unforeseen increase in the cost of living in Addis Ababa. With retroactive effect from 8 May 1979, the Ethiopian Government has decided to increase the rentals on all the dwellings leased to the Professional and internationally recruited General Service staff of the Commission. The increases range from 80 to 350 per cent, bringing the percentage of new rent over net pay to an average of 28 per cent for Professionals and 53 per cent for General Service staff. While it is planned to deal with this situation in 1980-1981 through the usual mechanisms, i.e., post adjustments for the Professional and salary increases for the General Service staff, it is proposed that in 1979, given the retroactive effect of the decision, special allowances be paid to the staff affected. It is estimated that the retroactive payment of monthly allowances averaging \$380 for Professional staff and \$270 for General Service staff would be required.

9.12 The balance of the additional requirements under common staff costs (\$980,700) reflects a situation already acknowledged by the Advisory Committee on Administrative and Budgetary Questions in its first report on the proposed programme budget for the biennium 1980-1981, 1/ namely, that experience at Addis Ababa shows a higher percentage ratio vis-à-vis salaries than the 40 per cent ratio which was assumed in both the 1978-1979 and 1980-1981 budget. A tentative ratio of the order of 46 per cent appears to be required in order to reflect, inter alia, higher expenditures on payments for travel on appointment, transfer and separation, on installation and removal of household effects and on education grants and related travel.

1/ A/34/7, para. 18.

9.13 The estimated deficit under temporary assistance for meetings (\$42,300) is attributable for the most part to higher than anticipated requirements in respect of policy-making organs and the transport programme.

9.14 Difficulties and delays encountered in the recruitment of general temporary assistance staff to handle increased workloads in the areas of electronic data processing, security services, and document reproduction account for the estimated savings (\$90,500) under that object of expenditure. As a corollary, however, increased reliance had to be placed on overtime, with a resulting deficit, estimated at \$71,100, which also reflects a level of compensation higher than estimated given the Local Level salary increases referred to in paragraph 9.6 above.

9.15 The savings under consultants (\$36,600) represent slightly less than 10 per cent of the appropriation in line with the policy of economy in implementation of General Assembly resolution 32/209.

Travel (increase: \$64,500)

9.16 A deficit estimated at \$18,700 will be incurred under travel of staff to meetings in respect of the holding of the Second Regional Preparatory Meeting Conference on the United Nations Decade for Women in Lusaka, Zambia, in December 1979, a meeting for which no provision had been made under section 9. The balance of \$45,800 reflects increased travel on official business, primarily in connexion with executive direction and management and the industrial development programme.

Printing (decrease: \$56,400)

9.17 Difficulties have been encountered in making satisfactory arrangements for external printing and binding of ECA publications in Addis Ababa. While the possibility of contracting some work to printing firms in Nairobi is being explored, almost half of the appropriation under this heading will remain unspent, as heavier reliance had to be placed on internal printing.

General operating expenses (increase: \$246,400)

9.18 The anticipated deficit under this heading is attributable to additional requirements under utilities (\$25,000) and communications (\$221,400). To a large extent, the shortfall under utilities results from rate increases averaging 25 per cent per unit as of January 1979.

9.19 With regard to communications, the deficit reflects, in the first place, an underestimation of the Commission's requirements in the 1978-1979 budget. The initial estimate of \$499,500 did not take into account the underdevelopment, and therefore high cost, of communications in Africa, a factor which has been formally recognized by the recent declaration by the General Assembly of a Transport and Communication Decade in Africa. Moreover, as a result of hostilities in Ethiopia, the already limited communication services were seriously disrupted. Quite often the Commission

found itself with only one method of communicating with the outside world, that is, by cables, at a cost of 3.5 to 4.5 cents per word. Lastly, the Commission has met considerable difficulties in absorbing the additional cost of implementing the Transport and Communication Decade. The messages sent during one month under the transport and communication programme have sometimes exceeded 50,000 in view of the need to make arrangements for regional meetings and other activities.

Supplies, materials, furniture and equipment (increase: \$122,000)

9.20 The anticipated deficit under this heading relates to supplies and materials (\$48,000), and furniture and equipment (\$74,000). The shortfall under supplies and materials results both from inflation and increased requirements for internal printing, as explained in paragraph 9.17 above. The provision of \$74,000 under furniture and equipment is required for non-expendable equipment and related air-freight charges essential for the operation of the new staff cafeteria which commenced operations in April 1979. No provision had been made in the revised estimates for machines, cash registers and coffee machines.