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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 10. Economic Commission for Western Asia

SECTION 10. ECONOMIC COMMISSION FOR WESTERN ASIA

Table 10.1

(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	
10 250.0	183.3	-	-	239.5	422.8	10 672.8

B. Extrabudgetary resources (substantive and administrative support)		
Previously estimated expenditures 1978-1979	Source of funds	Revised estimate
1 063.8	UNFPA	1 003.1
411.7	FAO	372.2
177.7	United Nations overhead account	188.5
-	Programme support costs administered locally	240.7
-	Contribution from the host country	1 008.3
-	Trust Fund for Development Planning	48.1
1 518.0	Other extrabudgetary resources	-
3 171.2	Total, B	2 860.9

13 421.2	Total, A and B	13 533.7
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C. Extrabudgetary resources (operational projects)		
Previously estimated expenditures 1978-1979	Source of funds	Revised estimate
900.0	UNDP	897.7
281.6	UNFPA	475.0
200.0	Trust Fund for ECWA regional activities	324.7
-	Voluntary Fund for the United Nations Decade for Women	258.5
-	Bilateral grants	264.1
1 381.6	Total, C	2 220.0

14 802.8	Total, A, B and C	15 753.7
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Table 10.2

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

Programmes	Revised appropriations 1978-1979	Estimated additional requirements					Total revised estimates 1978-1979
		Inflation	Rates of exchange	Decisions of policy-making organs	Redeployment	Other changes	
A. Policy-making organs	67.7	-	-	-	-	28.9	96.6
B. Executive direction and management	917.6	10.4	-	-	2.0	25.1	955.1
C. Programmes of activity:							
1. Agriculture and forest products	544.3	7.8	-	-	(0.8)	(29.8)	521.5
2. Development planning, projections and policies	707.7	5.2	-	-	(81.0)	66.2	698.1
3. Human settlements	401.9	3.9	-	-	(8.3)	(46.5)	351.0
4. Industrial development	648.0	7.8	-	-	8.3	8.4	672.5
5. International trade	202.5	2.6	-	-	(3.3)	(61.8)	140.0
6. Labour, management and employment	21.4	1.3	-	-	103.2	30.6	156.5
7. Natural resources	953.9	6.5	-	-	(49.2)	(53.8)	857.4
8. Population	330.4	2.6	-	-	(57.9)	47.1	322.2
9. Science and technology	212.2	2.6	-	-	61.2	(50.2)	225.8
10. Social development	379.3	3.9	-	-	-	20.9	404.1
11. Statistics	255.4	5.2	-	-	(8.5)	74.5	326.6
12. Transport	443.4	5.2	-	-	55.9	28.1	532.6
D. Programme support:							
1. Conference services	1 550.0	40.3	-	-	(134.4)	(197.1)	1 258.8
2. Management of technical co-operation activities	188.6	2.6	-	-	-	17.5	208.7
3. Administration and common services	2 425.7	75.4	-	-	112.8	331.4	2 945.3
Total	10 250.0	183.3	-	-	-	239.5	10 672.8

Table 10.3

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	(31.7)	70.6	-	-	(6.0)	(4.0)	-	28.9
B. Executive direction and management	38.8	(1.3)	-	-	-	-	-	37.5
C. Programmes of activity:								
1. Agriculture and forest products	(22.8)	-	-	-	-	-	-	(22.8)
2. Development planning, projections and policies	(9.6)	-	-	-	-	-	-	(9.6)
3. Human settlements	(50.9)	-	-	-	-	-	-	(50.9)
4. Industrial development	24.5	-	-	-	-	-	-	24.5
5. International trade	(62.5)	-	-	-	-	-	-	(62.5)
6. Labour, management and employment	135.1	-	-	-	-	-	-	135.1
7. Natural resources	(96.5)	-	-	-	-	-	-	(96.5)
8. Population	(8.2)	-	-	-	-	-	-	(8.2)
9. Science and technology	13.6	-	-	-	-	-	-	13.6
10. Social development	21.5	3.3	-	-	-	-	-	24.8
11. Statistics	71.2	-	-	-	-	-	-	71.2
12. Transport	89.2	-	-	-	-	-	-	89.2
D. Programme support:								
1. Conference services	(291.2)	-	-	-	-	-	-	(291.2)
2. Management of technical co-operation activities	20.1	-	-	-	-	-	-	20.1
3. Administration and common services	570.9	10.2	(60.9)	-	22.6	(14.0)	(9.2)	519.6
Total	411.5	82.8	(60.9)	-	16.6	(18.0)	(9.2)	422.8

SECTION 10. ECONOMIC COMMISSION FOR WESTERN ASIA

I. Programme developments

10.1 The implementation of the ECWA programme of work and priorities for the biennium 1978-1979 has been affected by two major constraints: unfilled vacancies and difficulties and delays in recruitment of consultants. Despite these difficulties, every effort was made to achieve the optimum utilization of available resources. In this regard, some degree of redeployment of staff resources between programmes was necessary.

10.2 The secretariat of ECWA has reported the following departures from the programme of work outlined in the programme budget for the biennium 1978-1979.

Agriculture and forest products

10.3 Under subprogramme 3, an intergovernmental meeting on food security was cancelled to avoid duplication with a meeting held under the auspices of another organization.

Development planning, projections and policies

10.4 Under subprogramme 3, the preparation of an interim report on perspective planning in the ECWA region has been suspended to permit the preparation of a paper containing the views of ECWA on the new international development strategy for the Third United Nations Development Decade and of a contribution to a paper on new development concepts and strategies in the Arab world. Under subprogramme 4, a study of the possibilities of plan harmonization in the ECWA region has been deferred for lack of resources.

Human settlements

10.5 The activities pertaining to urban planning and rural settlement planning have been deferred to the 1982-1983 biennium.

Industrial development

10.6 Under subprogramme 1, appraisal of the experience of joint ventures was reduced in scope because of the inavailability of data and was merged with the programme element on co-ordination of industrialization plans and programmes. Under subprogramme 2, an expert group meeting on engineering industries was eliminated for lack of funds, while, for the same reason, an expert meeting on petrochemicals was reduced in scope to a meeting on fertilizers and deferred to the 1980-1981 work programme. Subprogramme 3, which consists of developing training programmes, was eliminated.

10.7 On the other hand, some unplanned substantive activities were undertaken. They included:

(a) Co-sponsorship of the Fifth Arab Conference on Industrial Development in the Arab World (Algiers, November 1979);

(b) Participation in a meeting on the Arab Regional Cooperation Programme for the Development and Preparation of Fertilizers Production and Utilization (Amman, Jordan, December 1978);

(c) Active participation in the Third International Arab Petrochemical Conference (Baghdad, 8-15 November 1979); and

(d) Provision of advisory services to Jordan on the preliminary steps for the development and joint use of certain technical and marketing facilities by the three major industrial/mining projects, and to the Syrian Arab Republic on trends and analysis of industrial development and the scenario for the year 2000.

International trade

10.8 Studies on intra-regional trade (subprogramme 2) and trade and payments policies (subprogramme 3) have been merged into one comprehensive study on trade expansion and economic integration, major portions of which have been completed. The remaining part of the study has been deferred to the 1980-1981 work programme, owing to inability to fill a P-4 vacancy, difficulties in recruiting suitable consultants, and involvement in other unplanned substantive matters, including:

(a) A report on developments in the external trade and payments situation of Member Countries and of efforts to promote regional co-operation and integration;

(b) The consolidation of the economic survey of Western Asia; and,

(c) Participation in the formulation of the inter-country programme on development of trade between socialist countries of Eastern Europe and developing countries (phase II).

Labour, management and employment

10.9 Subprogramme 2, improvement of manpower training, which consists of a study on manpower supply and demand, was not implemented. In connexion with the subprogramme on the promotion of regional co-operation in the field of human resources planning, the preparation of a report on regional co-operation in manpower development and employment promotion to monitor progress in the implementation of the plan of action on manpower and employment planning in the ECWA region was not carried out. Activities not planned for included the preparation of a study on labour mobility, wage differentials and implications for development.

Natural resources

10.10 Under subprogramme 1, a report on the end uses of oil in the region and in the world was cancelled for lack of extrabudgetary resources. A report on the opportunity cost and comparative advantage of existing and planned refineries could not be completed in 1979 because of delays in recruitment. Furthermore, the two programme elements on natural gas availability and use and non-conventional

sources of energy in the ECWA region, respectively, have been deferred to the 1980-1981 work programme. On the other hand, an activity not planned for was a study on energy demand and supply in the Arab world, with projections to the year 2000.

10.11 Under subprogramme 2, a survey of all existing regional organizations and ongoing activities dealing with mineral resources development in the ECWA region was not carried out because of the existence of vacant posts; a report on the improvement of national mining codes was also delayed due to staff turn-over; a study of the economic aspects of mineral resources exploitation and processing in the region was not undertaken due to the existence of vacant posts; a report on the economic analysis of the development and uses of non-metallic raw materials in the ECWA region was deferred to 1980-1981 due to changes in priorities within the Division's work commitments; the analysis and compilation of technical documentation and the collection and processing of economic information on minerals has been reorganized in view of the large volume of statistical background data which is required if the objectives are to be attained; and a background paper on regional policies and co-operation for the development of mineral resources in the ECWA region was cancelled because of the existence of vacant posts. Under subprogramme 3, an expert group meeting on the establishment of a water resources development training centre was not held due to budgetary constraints. A report on the establishment of legal and administrative infrastructures for water resources development and management has been reduced in scope and only an interim report produced. A report on the possible establishment of a regional data bank on water resources, as well as a report on developing a strategy for determining the economic use of water, could not be prepared.

Population

10.12 Under subprogramme 1, all regional surveys have been cancelled, except the survey on Palestinians. Under subprogramme 2, several studies have been either delayed or cancelled. This situation is due to the fact that about 50 per cent of the Professional posts of the population programme were vacant during the period under review.

Public finance

10.13 Under subprogramme 1, a study of tax structure change and economic development in selected countries of western Asia has been deferred to 1980-1981 because of difficulties in recruitment. The follow-up report on the reform of budgetary system and practices in the ECWA region was also deferred since it was related to a 1979 meeting on tax-reform planning which was cancelled. Substantive activities not planned for under this programme included the elaboration of a technical assistance programme for the Syrian Arab Republic in connexion with the preparation of the next five-year development plan and preparation of a paper on economic co-operation and regional integration.

Science and technology

10.14 Under subprogramme 1, the biennial review of the progress in the status of science and technology in the ECWA region was considered to be of marginal usefulness and hence eliminated after a study on the same subject was published. Under subprogramme 3, the study on technologies for the development of land and water resources was eliminated due to the unavailability of resources as a result of internal redeployments of staff and delays in recruitment.

Activities not initially planned for included advisory services to selected Member countries in the preparation of national papers for the United Nations Conference on Science and Technology for Development.

Social development

10.15 Under subprogramme 1, a working paper on instruments for youth mobilization was cancelled. Under subprogramme 2, the review and assessment of the situation of women was conducted in the context of review and appraisal of the social situation of the ECWA region. A major reformulation of this subprogramme had to be undertaken to conform to the most recent ECWA, Economic Social Council and General Assembly resolutions regarding the integration of women in development. Under subprogramme 3, the manual on evaluation of social development and social welfare programmes and projects has been cancelled, and the seminar on development social welfare was deferred to the next biennium. Furthermore, the review and assessment of the situation of developmental social welfare was carried out in the wider context of the review and appraisal of the social situation in the ECWA region. Under subprogramme 4, the study on the role of communication in integrated rural development has been deferred to 1980-1981. Subprogramme 5 on the constraints of social factors on absorptive capacity has been eliminated.

Statistics

10.16 The first meeting of statisticians of the ECWA region has been deferred to 1980-1981. Work on international trade statistics has also been deferred to the next biennium because of lack of resources. A bulletin on consumer and wholesale price indices in the ECWA region (1960-1977), which was not planned for, was published in March 1979.

Transport, communication and tourism

10.17 Under subprogramme 2, the study on the establishment or expansion of shipping fleets by countries in Western Asia was deferred to 1980-1981. Subprogramme 4 on subregional co-operation in the development of tourism was deferred pending the recruitment of a tourism officer and the preparation, during the 1980-1981 biennium, of a master plan for tourism in the ECWA region.

II. Revised budget estimates (increase: \$422,800)

10.18 As indicated in table 10.1 above, the estimated deficit of \$422,800 is attributable in part to inflation (\$183,300) and in part to other changes (\$239,500), as explained below.

10.19 The shortfall of \$183,000 due to the effects of inflation reflects higher than anticipated increases in local level salary rates. While the standard costs for 1978 and 1979 were based on the assumption of 10 per cent salary increases in September 1978 and 1979, respectively, the increases actually granted were 17 per cent in July 1978 and 18 per cent with effect from April 1979.

10.20 The additional requirements in the amount of \$239,500 shown in table 10.1 as related to other changes represent the net effect of increases and decreases under several accounts. The four major factors have been:

(a) An \$82,800 anticipated deficit under travel, attributable mostly to the fact that the fifth and sixth sessions of the Commission were held in Amman and Baghdad, respectively, rather than at ECWA headquarters, as assumed initially;

(b) An estimated deficit of \$568,600 in common staff costs, attributable to a large extent to the continuation of the disturbances which had affected Lebanon earlier, a situation which entailed, inter alia, the payment of "safe haven" and evacuation allowances for the staff members and their dependants, as well as entitlements to related travel;

(c) An estimated saving in the amount of \$258,600 reflecting the persistence throughout the biennium of a high vacancy rate, with 17 vacancies at the Professional level as of 31 July against an establishment of 94;

(d) Savings estimated at \$153,300 under all other objects of expenditure.

10.21 The increase or decrease referred to in the preceding paragraphs are analysed further by object of expenditure below.

Salaries and common staff costs (increase: \$411,500)

10.22 The estimated deficit of \$411,500 is due to an anticipated shortfall under common staff costs (\$568,600), partially offset by savings under established posts (\$75,300), temporary assistance for meetings (\$63,600), general temporary assistance (\$8,800) and consultants (\$9,400).

10.23 The anticipated shortfall under common staff costs (\$568,600) relates both to the unforeseen expenditures referred to in paragraph 10.20 above and to a slight underestimation by some 3 per cent of the ratio of common staff costs to the salaries in the case of established posts, attributable to higher than anticipated increases in the contributions of the Organization to the United Nations Joint Staff Pension Fund. An analysis of the projected deficit under common staff costs is provided below:

I. Unforeseen expenses:		\$	\$
(a) Travel: evacuation costs of 57 dependents		38,800	
(b) Allowances			
(i) Evacuation allowances paid to 57 dependants for a total of 628 weeks		82,400	
(ii) "Safe haven" allowances paid to 37 staff members for a total of 1392 weeks		<u>228,200</u>	349,400
II. Regular common staff costs (UNJSPF):			<u>219,200</u>
			<u>568,600</u>

10.24 The projected savings under established posts (\$75,300) represent the net balance of the increase due to inflation (\$183,300) mentioned in paragraph 10.19 above and of the decrease (\$258,600) attributable to the vacancy situation, as mentioned in paragraph 10.20.

10.25 With regard to temporary assistance for meetings, the substantial saving which is anticipated (\$63,600) is attributable in part to a decrease in the requirements for the sessions of the Commission (\$31,700). The planning at short notice of the fifth and sixth sessions in Amman and Baghdad, respectively, made it impossible to provide optimum servicing, resulting in reduced expenditures. Furthermore, none of the funds earmarked for this purpose under the various substantive programmes (\$31,900) are expected to be spent. This is primarily a result of the disruption of ECWA activities in Beirut and, to some extent, of an increased availability of extrabudgetary funding.

10.26 The savings (\$8,000) under general temporary assistance reflect a somewhat reduced level of activity in ECWA as a result of the unusual circumstances which have prevailed throughout the biennium, while the savings under consultants (\$9,400), which represent a little over 9 per cent of the appropriation, are the result of a deliberate policy of restraint in implementation of General Assembly resolution 32/209.

Travel (increase: \$69,300)

10.27 As is apparent from table 10.3, the above increase is entirely attributable to unanticipated requirements under policy-making organs in respect of sessions of the Commission. The 1978-1979 estimates for this purpose were prepared on the assumption that the 1978 and 1979 sessions of the Commission would be held at Beirut 1/ and, accordingly, no provision was made for travel of staff. In view of the security situation in that city, however, the fifth and sixth sessions had to be held in Amman and Baghdad, respectively. As a result, unforeseen travel expenditures were incurred in 1978 (\$42,100) and in 1979 (\$28,500), partly offset by a small anticipated saving (\$1,300) under executive direction and management.

Printing (decrease: \$60,900)

10.28 None of the funds allotted to ECWA against this object of expenditure could be spent because of the total disruption in the ECWA publication programme in 1978-1979, a consequence of unsettled security conditions and a particularly high vacancy rate in the ECWA language services.

General operating expenses (increase: \$22,600)

10.29 The net anticipated increase under this heading reflects savings under maintenance of premises and rental and maintenance of equipment (\$13,400 and \$14,000, respectively) and an estimated deficit in the amount of \$50,000 for communications. The decreases are due to the fact that a higher than anticipated portion of the expenses referred to could be charged against the annual contribution received from the host Government. The deficit for communications is due to an initial underestimation of the high cost of commercial cables transmitted in Arabic within the region.

1/ A/32/6, para. 10.5.

Supplies, materials, furniture and equipment (decrease: \$14,000)

10.30 It is estimated that a saving of \$14,000 will be recorded at year end with regard to the acquisition of furniture, as purchases during the latter part of the biennium have been kept to a minimum in anticipation of the forthcoming move to Baghdad.

Other (decrease: \$9,200)

10.31 The provision (\$9,200) made for alterations and improvement to premises in 1978-1979 will remain unused at the end of the biennium.