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ADMINISTRATIVE AND BUDGETARY MATTERS

PERFORMANCE REPORT ON THE PROGRAMME AND PROGRAMME
SUPPORT COSTS BUDGET FOR THE BIENNIUM 1984-1985

Report of the Executive Director

Summary

The purpose of this performance report is to describe the status of implementation, as of 31 December 1984, of the approved programme and programme support costs budget for the biennium 1984-1985 and to indicate the revisions required to that budget in the light of its implementation up to that date.

Suggested action by the Governing Council

The Governing Council may wish to:

1. Take note of the performance report of the Executive Director on the programme and programme support costs budget for the biennium 1984-1985 and the related report of the Advisory Committee on Administration and Budgetary Questions;
2. Note the concern of the Executive Director that he is not able to limit the programme and programme support costs budget to within 33 per cent of the contributions received in 1984-1985;
3. Approve the revised appropriation level of US\$22,811,000, with the programme and object of expenditure distribution presented by the Executive Director.

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I. INTRODUCTION

1. This report has been prepared on the basis of twelve months' experience in implementing the programme and programme support costs budget for 1984-1985, the period recommended by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in its report on the proposed programme and programme support costs budget. Thus this performance report includes proposals for adjustments which reflect additional needs or decreases arising from 1984 experience as regards exchange rate fluctuations, inflation and the most effective and efficient means of implementing the programme budget.

2. In accordance with the provisions of financial rule 210.4, the Executive Director has submitted this report to ACABQ. The report of the Advisory Committee relating to it will be transmitted to the Governing Council in document UNEP/GC.13/L.4.

3. At its eleventh session in 1983, by decision 11/12 B, paragraph 4 (a) and (b), the Governing Council approved an appropriation of \$26.02 million for programme and programme support costs in 1984-1985, plus an additional sum of up to \$1.6 million to cover the cost of certain posts should the General Assembly not approve their transfer from the programme and programme support costs budget to the regular budget of the United Nations.

4. At the twelfth session, the Executive Director informed the Governing Council of the General Assembly's decision regarding the transfer of posts and of his intention not to take advantage of the approved additional appropriation of up to \$1.6 million to cover the cost of the posts whose transfer to the regular budget had not been approved (UNEP/GC.12/7). At the same time he expressed his intention to absorb all additional costs and to do his utmost to restrict expenditure so that even with such additional costs, it would remain below the approved budget of \$26.02 million. As a result, the Governing Council, by decision 12/19, paragraph 3, confirmed the appropriation of \$26.02 million for programme and programme support costs for the biennium 1984-1985.

5. When reviewing the overall requirements for the 1984-1985 programme and programme support costs budget, the Executive Director kept in mind the Governing Council's request that the appropriation for the programme and programme support costs budget should be administered with the utmost economy and restraint consistent with the effective implementation of the programme, bearing in mind the availability of resources, and that he should aim at keeping the programme and programme support costs budget within 33 per cent of the estimated contributions for any given year.

6. This report has been prepared before finalization of the financial report and interim accounts as at 31 December 1984 (UNEP/GC.13/L.3), and is based on an estimated expenditure of \$10.5 million on programme and programme support costs during the twelve-month period up to 31 December 1984.

7. It will be recalled that at the Governing Council's twelfth session, the Executive Director had pointed out (UNEP/GC.12/7) that with his estimate of contributions at \$30 million for each year of the 1984-1985 biennium, to

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comply with the 33 per cent rule he would have had to keep programme and programme support costs within \$9.9 million each year. He had warned the Council that it seemed inevitable that he might fail to restrict programme and programme support costs to within 33 per cent of contributions unless Governments increased their contributions above the level he was using for his estimates; it would have been more realistic to believe that programme and programme support costs could be held down to around \$11.5 million in 1984 and around \$12.5 million in 1985.

8. In spite of those warnings, Governments had not increased their contributions in 1984 beyond the estimated level of \$30 million. On the contrary, the level of contributions was not now expected to exceed \$29.46 million. Nevertheless, at the expense of holding an increased number of posts vacant, imposing on the goodwill of a number of very co-operative staff members and severely curtailing travel and communications, which are not luxuries but basic requirements for an organization whose main role is to catalyse and co-ordinate, the Executive Director has managed to limit expenditure to \$10.5 million, or 35.6 per cent of contributions, instead of the estimated \$11.5 million, or 39 per cent of contributions. It should be pointed out, moreover, that the figure of \$10.5 million includes an amount of approximately \$0.7 million to cover the cost in 1984 of the posts which were not transferred to the United Nations regular budget, whereas the estimated expenditure of \$11.5 million does not. Had expenditure reached the estimated \$11.5 million level and an additional sum of \$0.7 million been required to cover the cost of posts not transferred to the regular budget, total expenditure on programme and programme support costs in 1984 would have amounted to \$12.2 million. A saving of some \$1.7 million has thus been made, which is no mean achievement.

9. It is obvious, however, that there is a limit to what the Executive Director can do to meet the organization's needs in the face of inflation in the cost of travel, communications, consultants, staff, etc.

10. It must be stressed that programme and programme support costs cannot be equated with administrative costs which represent probably less than half of the total costs, the larger remaining part going to management of the Fund and development of the programme. The programme and programme support costs budget does not itself finance programme activities or implementation of the programme except on a very limited scale (expert groups and consultants).

11. The projected requirements for 1985 amount to \$12.3 million. However, the Executive Director will try to limit expenditure to a ceiling of \$11.5 million and it is on the basis of that figure that tentative allotments have been issued for 1985. There are no assurances at the present stage that the Executive Director will be able to meet that target. In order to contain the programme and programme support costs within 33 per cent of the estimated 1985 contributions, the Executive Director would have to reduce the costs to a level of \$9.9 million. It must be categorically stated that under no condition is such a reduction of expenditure possible. It is therefore essential for the Governing Council to take a conscious decision to accept a situation in 1985, which the Executive Director deplores, of having the

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programme and programme support costs possibly consuming 40 per cent of the contributions, making it impossible to have a meaningful programme implementation. Such a situation will certainly occur if most Governments continue their current trend of holding stationary or even reducing the level of their contributions to the Fund.

12. As the Executive Director has based his revised estimates for the biennium 1984-1985 on the estimated actual expenditure for 1984 and the projected requirements for 1985 and not on the full budget as presented to the Governing Council at its eleventh session, the new estimate of \$22,811,000 for the biennium as a whole shows a decrease of \$3,209,000 compared to the confirmed appropriation of \$26,020,000. The factors underlying this decrease are a decrease of \$1,036,200 due to currency fluctuations, a decrease of \$278,800 as against the original provision for inflation and a decrease of \$1,894,000 due to "other changes" (see annex III).

13. The decrease of \$1,036,200 due to currency fluctuations results mainly from readjustments of the Kenya shilling. The original budget estimates were based on a projected exchange rate of 13.60 Kenya shillings to the United States dollar, whereas the average exchange rate for 1984 was KSh 14.26 to US\$ 1, and the average exchange rate for 1985 is assumed to be KSh 15.08 to US\$ 1. The strengthening of the United States dollar also resulted in decreases in the estimates for the regional and liaison offices. Annex I shows the originally projected and the revised rates of exchange used in the computation for Nairobi as well as for the regional and liaison offices. If currency fluctuations were to make it necessary to increase expenditures again, new revised estimates would have to be submitted to ACABQ for approval as the Governing Council does not meet again until 1987.

14. An analysis of the impact of currency fluctuations by object of expenditure shows that not all objects of expenditure are affected in the same manner. For example, while the whole of the salaries paid to local staff is affected by currency fluctuation, rental and maintenance of premises are not affected at all since they are based on a fixed dollar rate agreement. The percentages of the appropriation, by object of expenditure, estimated to be affected by currency fluctuations are given in annex II.

15. The decrease of \$278,800 due to changes in inflation rates results from differences between projected inflation rates, post adjustment indices and General Service salary increases at the time the initial appropriation was being computed and the revised rates applicable for the performance report.

16. The decrease by \$1,894,000 under "other changes" is mostly due to a level of staff resources reduced below the budgeted rate of 80 per cent of occupancy for Professional posts as well as to the difference between the estimated rental for the UNEP offices in Nairobi and the initial appropriation for that item. These decreases were to some extent offset by increased requirements for other objects of expenditure.

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17. Maintaining an average vacancy rate in 1984 of 28.8 per cent for Professional posts and of 1.7 per cent for General Service posts, and the occupancy of a number of posts at a grade below the approved level during that year resulted in decreased expenditure of approximately \$700,000.

18. The rental costs for the UNEP offices in Nairobi are estimated to be around \$727,300 for the biennium 1984-1985, resulting in a saving of approximately \$351,500 (for an analysis of this item see paragraph 30 below).

19. An increased requirement followed the decision to transfer the Oceans and Coastal Areas Programme Activity Centre (formerly called Regional Seas Programme Activity Centre) to Nairobi in July/August 1985, the costs for the transfer to be divided between the programme and programme support costs budget and programme support costs (overheads trust fund). The Executive Director has undertaken to provide the Centre with the same facilities in Nairobi as it currently enjoys in Geneva and to allow it to continue operating with the same degree of flexibility to avoid disturbing the functioning of what is a first class team.

20. Other increases in the revised estimates of expenditure are proposed for liaison and regional representation, rental and maintenance of equipment, furniture and equipment, training and communications. More detailed justifications for all the revised estimates are given below.

II. ANALYSIS* OF THE REVISED ESTIMATES BY OBJECTS OF EXPENDITURE AND PROGRAMMES

A. Salaries

1. Established posts and common staff costs

21. The decrease under this heading is the result of a decrease of \$2,070,700 for established posts and \$924,200 for common staff costs.

22. The decrease in requirements for existing established posts (\$2,070,700) is due to savings resulting from exchange rate fluctuations (\$647,900), lower than anticipated inflation (\$165,800) and other savings (\$1,257,000). The other savings result from a combination of a higher vacancy rate in 1984 than the original budget estimates of a 20 per cent vacancy rate for Professional and zero per cent for local level posts, the occupancy of a number of posts at grades below the approved level and variances between standard salary costs used for budget estimation purposes and actual payments made.

23. The decrease under common staff costs (\$924,200) is the effect of exchange rate fluctuations (164,700), lower than estimated inflation (\$83,300) and other savings related to the same factors as described for established posts.

* See also attached tables 1-16.

2. General temporary assistance

24. The decrease (\$56,500) under this item is made up of a decrease due to exchange rate fluctuations (\$20,000), changes in inflation (\$9,700) and savings made by restricting the hiring of general temporary assistance to the possible minimum (\$26,800).

3. Consultants and ad hoc expert group meetings

25. The overall decrease under this heading is due to a decrease of \$24,500 for ad hoc expert group meetings, the requirements for consultants remaining unchanged. The column "other changes" shows that some increases in consultant requirements (\$8,200) are more than offset by real savings under ad hoc expert groups (\$24,100). The changes in inflation rates had no impact on consultants estimates, savings due to exchange rate fluctuations are offset by the increased requirements. Exchange rates had no effect on ad hoc expert groups, a small saving of \$400 is estimated as a result of changes in inflation rates.

4. Other salary items

26. An increase of \$4,000 for language training is the net result of savings made under exchange rate fluctuations (\$5,800) and inflation (\$3,900) and an increase of \$13,700 due to a salary increase for language teachers. The decrease of \$9,700 in the requirements for overtime is the net result of exchange rate fluctuations (\$12,300), changes in inflation rates (\$6,100) and increased requirements under "other changes" (\$8,700). This increase results mainly from increased overtime that became necessary in regional and liaison offices where it was possible to achieve actual savings of \$36,000 for general temporary assistance.

B. Travel

27. The move of the Oceans and Coastal Areas Programme Activity Centre from Geneva to Nairobi will require additional travel funds in 1985. All possible efforts have been made to absorb these requirements within the original appropriation for this object of expenditure.

C. Contractual services

28. The installation of the Oceans and Coastal Areas Programme Activity Centre in Nairobi will entail additional expenditure of \$67,400 for contractual services. Of this requirement only \$700 can be absorbed under the original appropriation and \$800 by savings due to exchange rate fluctuations. A total increase of \$65,900 is being requested.

D. General operating expenses

1. Liaison and regional representation

29. The total increase for this item (\$120,000) is a net result of decreases due to exchange fluctuations (\$16,000) and to lower than anticipated inflation (\$5,800), which are partially offset by increases due to "other changes" (\$141,800). The latter increases are made up of additional requirements of

\$69,900 due to an 86 per cent increase in the rent for premises for the Regional Office for Latin America, additional requirements of \$42,200 due to increased rental charges after the move of the New York Liaison Office to the UNDC II building, and small increases in general operating expenses for Geneva (\$15,700, Bangkok (\$5,800) and Bahrain (\$8,200).

2. UNEP headquarters, Nairobi

Rental and maintenance of premises for UNEP

30. The rent for the United Nations Office in Nairobi has been set by New York Headquarters at a rate of \$65.96 per year square metre. However, UNEP will pay only \$44.61 per year per square metre for the remission period agreed upon until the Environment Fund will have recovered the current value of the original investment of \$640,000 which it made at the time of the construction of the original buildings. Based on the ratio of staff financed from the regular budget and staff financed from the programme and programme support costs budget it was estimated that the programme and programme support costs budget would have to bear around 70.4 per cent of rental charges for the approximately 15,000 square metres occupied by UNEP. The estimated rent for 18 months (July 1984 - December 1985), based on this formula, will be \$683,700 and brings total expenditures for the biennium to \$727,300 resulting in a decrease of \$351,500 compared with the original appropriation of \$1,078,800. Exchange rate fluctuations and inflation have no impact on this dollar-based item.

Utilities

31. The original appropriation was made under the assumption of expenditures for the full two years of the biennium. Since July 1984, however, utilities are charged to the United Nations Common Services. Expenditures incurred in the first half of 1984 amounted to \$20,900. A total of \$63,400 will therefore be saved under this item.

Rental and maintenance of equipment

32. The necessary extension of word-processing and photocopying facilities as well as the updating of the printing facilities brought an increase of \$100,600 in costs for rental and maintenance contracts. Because of the strengthening of the dollar, \$38,300 was saved so that the net increase amounts to \$62,300.

Communications

33. A decrease of \$50,900 resulted from exchange rate fluctuations but was offset by additional requirements of \$50,900. The possible effects of the satellite-network to be installed in 1985 is not taken into account.

Hospitality

34. No change is reported for this item.

Miscellaneous services

35. No change is reported for this object of expenditure. Savings of \$5,100 resulting from exchange rate fluctuations are offset by increases in freight and insurance costs.

E. Supplies and materials

36. The installation of the Oceans and Coastal Areas Programme Activity Centre will bring with it extra requirements of \$18,600. Of these, \$9,400 can be absorbed by UNEP's approved resources, but the balance of \$9,200 must be included as an increase under "other changes". However, due to savings made from exchange rate fluctuations (\$40,500) and anticipated inflation (\$300) a decrease of \$31,600 is still to be expected.

F. Furniture and equipment

37. The increase of \$70,900 results from the move of the Regional Office for West Asia from Nairobi to Bahrain. All office furniture and equipment of the Office based originally in Beirut had to be written off or sold because of destruction or wear and tear. New furniture and equipment had to be purchased for the office at its new location.

G. Improvement of premises

38. No change is reported for this item.

H. Fellowships, grants and contributions

39. No change is reported under this object of expenditure. Savings of \$9,700 because of currency exchanges and \$2,700 because of reduced inflation were estimated to be needed in total to cover the repatriation costs of the P-4 internal auditor in 1985.

I. Contributions to joint administrative activities
within the United Nations family

40. This item, \$986,600, relates to institutional support to the United Nations Sudano-Sahelian Office. The original estimates remain unchanged.

Table 1
PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME, Total UNEP Object of expenditure	(1) Appropriation 1984-1985	(2) Expenditures 1984	(3) Projected expenditures 1985	(4) Total 1984-1985	(5) Increase (decrease)
010 Established posts	11 433.6	4 392.5	4 970.4	9 362.9	(2 070.7)
030 General temporary assistance	394.3	163.1	174.7	337.8	(56.5)
040 Consultants	862.8	392.9	469.9	862.8	-
050 Overtime	155.5	42.5	103.3	145.8	(9.7)
060 Ad hoc expert groups	502.5	215.0	263.0	478.0	(24.5)
080 Training	66.4	32.0	38.4	70.4	4.0
Sub-total salaries	13 415.1	5 238.0	6 019.7	11 257.7	(2 157.4)
100 Other common staff costs	5 325.9	2 036.4	2 365.3	4 401.7	(924.2)
113 Representation allowance	14.4	7.2	7.2	14.4	-
Sub-total common staff costs	5 340.3	2 043.6	2 372.5	4 416.1	(924.2)
240 Travel on official business	1 423.4	662.0	761.4	1 423.4	-
300 Contractual services	90.0	47.1	108.8	155.9	65.9
400 General operating expenses in Regional and Liaison offices	786.6	444.2	462.4	906.6	120.0
410 Rental and maintenance of premises	1 078.8	256.2	471.1	727.3	(351.5)
420 Utilities	84.3	20.9	-	20.9	(63.4)
430 Rental and maintenance of equipment	429.9	253.2	239.0	492.2	62.3
440 Communications	1 063.4	516.8	546.6	1 063.4	-
450 Hospitality	7.6	3.0	4.6	7.6	-
490 Miscellaneous services	103.8	45.3	58.5	103.8	-
Sub-total general operating expenses	3 554.4	1 539.6	1 782.2	3 321.8	(232.6)
500 Supplies and materials	764.1	338.2	394.3	732.5	(31.6)
600 Furniture and equipment	315.0	189.0	196.9	385.9	70.9
700 New premises (including additions)	10.4	-	10.4	10.4	-
800 Fellowships, grants and contributions	120.7	48.5	72.2	120.7	-
900 Contributions to Joint administrative activities within the United Nations family	986.6	469.8	516.8	986.6	-
TOTAL	26 020.0	10 575.8	12 235.2	22 811.0	(3 209.0)

Table 2

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985: PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

	(1)	(2)	(3)	(4)	(5)
PROGRAMME: <u>Executive Direction and Management</u>					
Object of expenditure	Appropriation 1984-1985	Expenditures 1984	Projected expenditures 1985	Total 1984-1985	Increase (decrease)
010 Established Posts	467.4	197.4	243.7	441.1	(26.3)
040 Consultants	251.4	167.0	140.6	307.6	56.2
050 Overtime	-	1.3	1.4	2.7	2.7
Sub-total salaries	718.8	365.7	385.7	751.4	32.6
100 Other common staff costs	233.7	67.3	121.9	189.2	(44.5)
Sub-total common staff costs	233.7	67.3	121.9	189.2	(44.5)
240 Travel on official business	327.7	146.0	181.7	327.7	-
TOTAL	1 280.2	579.0	689.3	1 268.3	(11.9)

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Table 3

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985; PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

Object of expenditure	(1) Appropriation 1984-1985	(2) Expenditures 1984	(3) Projected expenditures 1985	(4) Total 1984-1985	(5) Increase (decrease)
PROGRAMME: Regional and Liaison offices total					
010 Established posts	2 930.4	1 171.1	1 151.1	2 322.2	(608.2)
030 General temporary assistance	264.2	104.8	110.5	215.3	(48.9)
050 Overtime	29.7	17.6	17.9	35.5	5.8
060 Ad hoc expert groups	50.9	-	26.4	26.4	(24.5)
Sub-total salaries	3 275.2	1 293.5	1 305.9	2 599.4	(675.8)
100 Other common staff costs	1 082.6	461.6	423.8	885.4	(197.2)
113 Representation allowance	6.0	3.0	3.0	6.0	-
Sub-total common staff costs	1 088.6	464.6	426.8	891.4	(197.2)
240 Travel on official business	460.6	225.7	234.9	460.6	-
400 General operating expenses in Liaison Offices	786.6	444.2	462.4	906.6	120.0
Sub-total general operating expenses	786.6	444.2	462.4	906.6	120.0
500 Supplies and materials	57.1	26.2	30.0	56.2	(0.9)
600 Furniture and equipment	34.6	61.4	44.1	105.5	70.9
T O T A L	5 702.7	2 515.6	2 504.1	5 019.7	(683.0)

Table 4

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME: <u>Environment</u>	Object of expenditure	(1)	(2)	(3)	(4)	(5)
		Appropriation 1984-1985	Expenditures 1984	Projected expenditures 1985	Total 1984-1985	Increase (decrease)
010	Established posts	2 259.3	939.6	1 240.8	2 180.4	(78.9)
040	Consultants	422.3	169.6	252.7	422.3	-
060	Ad hoc expert groups	391.7	186.5	205.2	391.7	-
	Sub-total salaries	3 073.3	1 295.7	1 698.7	2 994.4	(78.9)
100	Other common staff costs	1 128.5	533.3	620.4	1 153.7	25.2
113	Representation allowance	1.2	0.6	0.6	1.2	-
	Sub-total common staff costs	1 129.7	533.9	621.0	1 154.9	25.2
240	Travel on official business	422.2	210.3	211.9	422.2	-
500	Supplies and materials	-	48.2	60.0	108.2	108.2
	T O T A L	4 625.2	2 088.1	2 591.6	4 679.7	54.5

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Table 5

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIIUM 1984-1985; PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME: <u>Desertification</u>	(1)	(2)	(3)	(4)	(5)
Object of expenditure	Appropriation 1984-1985	Expenditures 1984	Projected expenditures 1985	Total 1984-1985	Increase (decrease)
010 Established posts	597.0	240.2	248.7	488.9	(108.1)
040 Consultants	54.4	25.7	28.7	54.4	-
050 Overtime	2.0	0.6	1.0	1.6	(0.4)
060 <u>Ad hoc</u> expert groups	59.9	28.5	31.4	59.9	-
Sub-total salaries	713.3	295.0	309.8	604.8	(108.5)
100 Other common staff costs	298.5	108.8	124.4	233.2	(65.3)
Sub-total common staff costs	298.5	108.8	124.4	233.2	(65.3)
240 Travel on official business	31.3	14.5	16.8	31.3	-
900 Contributions to joint administrative activities within the United Nations family	986.6	469.8	516.8	986.6	-
TOTAL	2 029.7	888.1	967.8	1 855.9	(173.8)

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Table 6

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

	(1)	(2)	(3)	(4)	(5)
PROGRAMME: <u>Management of the Fund</u>			Projected	Total	Increase
Object of expenditure	Appropriation 1984-1985	Expenditures 1984	expenditures 1985	1984-1985	(decrease)
010 Established posts	1 954.1	631.8	801.2	1 433.0	(521.1)
040 Consultants	17.0	-	-	-	(17.0)
Sub-total salaries	1 971.1	631.8	801.2	1 433.0	(538.1)
100 Other common staff costs	969.9	328.8	400.6	729.4	(240.5)
113 Representation allowance	7.2	3.6	3.6	7.2	-
Sub-total common staff costs	977.1	332.4	404.2	736.6	(240.5)
240 Travel on official business	107.9	50.1	57.8	107.9	-
TOTAL	3 056.1	1 014.3	1 263.2	2 277.5	(778.6)

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Table 7

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

	(1)	(2)	(3)	(4)	(5)
PROGRAMME: <u>Conference Services</u>			Projected	Total	Increase
Object of expenditure	Appropriation 1984-1985	Expenditures 1984	expenditures 1985	1984-1985	(decrease)
010 Established Posts	714.1	337.1	349.2	686.3	(27.8)
Sub-total salaries	714.1	337.1	349.2	686.3	(27.8)
100 Other common staff costs	357.1	176.6	174.6	351.2	(5.9)
Sub-total common staff costs	371.1	176.6	174.6	351.2	(5.9)
T O T A L	1 071.2	513.7	523.8	1 037.5	(33.7)

Table 8

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF 1984-1985 REQUIREMENTS BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME: Administration	(1)	(2)	(3)	(4)	(5)
Object of expenditure	Appropriation 1984-1985	Expenditures 1984	Projected expenditures 1985	Total 1984-1985	Increase (decrease)
010 Established posts	2 511.3	875.3	935.7	1 811.0	(700.3)
030 General temporary assistance	130.1	58.3	64.2	122.5	(7.6)
040 Consultants	117.7	30.6	47.9	78.5	(39.2)
050 Overtime	123.8	23.0	83.0	106.0	(17.8)
080 Training	66.4	32.0	38.4	70.4	4.0
Sub-total salaries	2 949.3	1 019.2	1 169.2	2 188.4	(760.9)
100 Other common staff costs	1 255.6	360.0	499.6	859.6	(396.0)
Sub-total common staff costs	1 255.6	360.0	499.6	859.6	(396.0)
240 Travel on official business	73.7	15.4	58.3	73.7	-
300 Contractual services	90.0	47.1	108.8	155.9	65.9
410 Rental and maintenance of premises	1 078.8	256.2	471.1	727.3	(351.5)
420 Utilities	84.3	20.9	-	20.9	(63.4)
430 Rental and maintenance of equipment	429.9	253.2	239.0	492.2	62.3
440 Communications	1 063.4	516.8	546.6	1 063.4	-
450 Hospitality	7.6	3.0	4.6	7.6	-
490 Miscellaneous services	103.8	45.3	58.5	103.8	-
Sub-total general operating expenses	2 767.8	1 095.4	1 319.8	2 415.2	(352.6)
500 Supplies and materials	707.0	263.8	304.3	568.1	(138.9)
600 Furniture and equipment	280.4	127.6	152.8	280.4	-
700 New premises (including additions)	10.4	-	10.4	10.4	-
800 Fellowships, grants and contributions	120.7	48.5	72.2	120.7	-
TOTAL	8 254.9	2 977.0	3 695.4	6 672.4	(1 582.5)

Table 9

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME: <u>Total UNEP</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(647.9)	(165.8)	(1 257.0)	(2 070.7)
General temporary assistance	(20.0)	(9.7)	(26.8)	(56.5)
Consultants	(8.2)	-	8.2	-
Overtime	(12.3)	(6.1)	8.7	(9.7)
Ad hoc expert groups	-	(0.4)	(24.1)	(24.5)
Training	(5.8)	(3.9)	13.7	4.0
Sub-total salaries	(694.2)	(185.9)	(1 277.3)	(2 157.4)
Other common staff costs	(164.7)	(83.3)	(676.2)	(924.2)
Representation allowance	-	-	-	-
Sub-total common staff costs	(164.7)	(83.3)	(676.2)	(924.2)
Travel on official business	-	(1.0)	1.0	-
Contractual services	(0.8)	-	66.7	65.9
General operating expenses in regional and liaison offices	(16.0)	(5.8)	141.8	120.0
Rental and maintenance of premises	-	-	(351.5)	(351.5)
Utilities	(1.0)	-	(62.4)	(63.4)
Rental and maintenance of equipment	(38.3)	-	100.6	62.3
Communications	(50.9)	-	50.9	-
Hospitality	(0.4)	-	0.4	-
Miscellaneous services	(5.1)	-	5.1	-
Sub-total general operating expenses	(111.7)	(5.8)	(115.1)	(232.6)
Supplies and materials	(40.5)	(0.3)	9.2	(31.6)
Furniture and equipment	(14.6)	0.2	85.3	70.9
New premises (including additions)	-	-	-	-
Fellowships, grants and contributions	(9.7)	(2.7)	12.4	-
Contributions to joint administrative activities within the United Nations family	-	-	-	-
T O T A L	(1 036.2)	(278.8)	(1 894.0)	(3 209.0)

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Table 10

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

<u>PROGRAMME: Executive Direction and Management</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(45.0)	(11.6)	30.3	(26.3)
Consultants	(2.7)	-	58.9	56.2
Overtime	(0.3)	-	3.0	2.7
Sub-total salaries	(48.0)	(11.6)	92.2	32.6
Other common staff costs	(11.0)	(4.8)	(28.7)	(44.5)
Sub-total common staff costs	(11.0)	(4.8)	(28.7)	(44.5)
Travel on official business	-	-	-	-
TOTAL	(59.0)	(16.4)	63.5	(11.9)

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Table 11

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

<u>PROGRAMME: Regional and liaison total</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(104.7)	(3.7)	(499.8)	(608.2)
General temporary assistance	(10.2)	(2.7)	(36.0)	(48.9)
Overtime	(1.8)	(0.9)	8.5	5.8
Ad hoc expert groups	-	(0.4)	(24.1)	(24.5)
Sub-total salaries	(116.7)	(7.7)	(551.4)	(675.8)
Other common staff costs	(20.6)	(3.4)	(173.2)	(197.2)
Representation allowance	-	-	-	-
Sub-total common staff costs	(20.6)	(3.4)	(173.2)	(197.2)
Travel on official business	-	(1.0)	1.0	-
General operating expenses, regional and liaison offices	(16.0)	(5.8)	141.8	120.0
Sub-total general operating expenses	(16.0)	(5.8)	141.8	120.0
Supplies and materials	(1.5)	(0.3)	0.9	(0.9)
Furniture and equipment	(0.9)	0.2	71.6	70.9
T O T A L	(155.7)	(18.0)	(509.3)	(683.0)

Table 12

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIIUM 1984-1985. PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

<u>PROGRAMME: Environment</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(171.6)	(49.2)	(141.9)	(78.9)
Consultants	(4.5)	-	4.5	-
Ad hoc expert groups	-	-	-	-
Sub-total salaries	(176.1)	(49.2)	146.4	(78.9)
Other common staff costs	(62.8)	(26.7)	114.7	25.2
Representation allowance	-	-	-	-
Sub-total common staff costs	(62.8)	(26.7)	114.7	25.2
Travel on official business	-	-	-	-
Supplies and materials	(7.0)	-	115.2	108.2
TOTAL	(245.9)	(75.9)	376.3	54.5

Table 13

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

<u>PROGRAMME: Desertification</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(36.8)	(11.6)	(59.7)	(108.1)
Consultants	(0.4)	-	0.4	-
Overtime	(0.1)	-	(0.3)	(0.4)
Ad hoc expert groups	-	-	-	-
Sub-total salaries	(37.3)	(11.6)	(59.6)	(108.5)
Other common staff costs	(5.6)	(5.4)	(54.3)	(65.3)
Sub-total common staff costs	(5.6)	(5.4)	(54.3)	(65.3)
Travel on official business	-	-	-	-
Contributions to joint administrative activities within the United Nations family	-	-	-	-
TOTAL	(42.9)	(17.0)	(113.9)	(173.8)

Table 14

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME: <u>Management of the Fund</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(101.2)	(31.0)	(388.9)	(521.1)
Consultants	-	-	(17.0)	(17.0)
Sub-total salaries	(101.2)	(31.0)	(405.9)	(538.1)
Other common staff costs	(16.5)	(15.9)	(208.1)	(240.5)
Representation allowance	-	-	-	-
Sub-total common staff costs	(16.5)	(15.9)	(208.1)	(240.5)
Travel on official business	-	-	-	-
T O T A L	(117.7)	(46.9)	(614.0)	(778.6)

Table 15

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

<u>PROGRAMME: Conference Services</u>	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(51.6)	(16.2)	40.0	(27.8)
Sub-total salaries	(51.6)	(16.2)	40.0	(27.8)
Other common staff costs	(14.0)	(8.4)	16.5	(5.9)
Sub-total common staff costs	(14.0)	(8.4)	16.5	(5.9)
T O T A L	(65.6)	(24.6)	56.5	(33.7)

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Table 16

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND FOR THE
BIENNIIUM 1984-1985, PERFORMANCE REPORT

ANALYSIS OF INCREASE (DECREASE) BY OBJECT OF EXPENDITURE
(Thousands of US dollars)

PROGRAMME: Administration	Rate of exchange	Unanticipated inflation	Other changes	Total
Object of expenditure				
Established posts	(137.0)	(42.5)	(520.8)	(700.3)
General temporary assistance	(9.8)	(7.0)	9.2	(7.6)
Consultants	(0.6)	-	(38.6)	(39.2)
Overtime	(10.1)	(5.2)	(2.5)	(17.8)
Training	(5.8)	(3.9)	13.7	4.0
Sub-total salaries	(163.3)	(58.6)	(539.0)	(760.9)
Other common staff costs	(34.2)	(18.7)	(343.1)	(396.0)
Sub-total common staff costs	(34.2)	(18.7)	(343.1)	(396.0)
Travel on official business	-	-	-	-
Contractual services	(0.8)	-	66.7	65.9
Rental and maintenance of premises	-	-	(351.5)	(351.5)
Utilities	(1.0)	-	(62.4)	(63.4)
Rental and maintenance of equipment	(38.3)	-	100.6	62.3
Communications	(50.9)	-	50.9	-
Hospitality	(0.4)	-	0.4	-
Miscellaneous services	(5.1)	-	5.1	-
Sub-total general operating expenses	(95.7)	-	(256.9)	(352.6)
Supplies and materials	(32.0)	-	(106.9)	(138.9)
Furniture and equipment	(13.7)	-	13.7	-
New premises (including additions)	-	-	-	-
Fellowships, grants and contributions	(9.7)	(2.7)	12.4	-
TOTAL	(349.4)	(80.0)	(1 153.1)	(1 582.5)

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Annex I

COMPUTATIONAL FACTORS USED IN CALCULATING REVISED ESTIMATES FOR THE
PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET FOR THE
BIENNIUM 1984-1985

Duty station	Rate of exchange to \$US 1			Post adjustment indices			
	Initial appropriation	Revised estimates		Initial appropriation		Revised estimates	
	1984-1985	1984	1985	1984	1985	1984	1985
Nairobi	13.60	14.26	15.08	128.2	141.1	121.17	118.00
New York	-	-	-	160.3	163.3	163.00	171.00
Geneva	2.18	2.33	2.50	185.1	195.3	170.75	160.00
Bangkok	23.01	23.62	26.90	137.8	151.5	129.50	122.00
Mexico <u>a/</u>	-	-	-	93.9	103.4	96.67	102.92
Bahrain <u>b/</u>	-	0.38	0.38	-	-	186.63	193.50

Source: Data obtained from Report of the Secretary-General, A/C.5/39/88.

a/ Combined effect of exchange fluctuation and inflation rates. It is estimated that currency fluctuations are almost totally offset by anticipated inflation.

b/ Initial appropriation was made on the assumption that the Office would be located in Beirut. Since 1984, the Regional Office for Western Asia has been located in Bahrain.

Annex II

ESTIMATED IMPACT OF EXCHANGE RATE FLUCTUATIONS ON PROGRAMME AND
PROGRAMME SUPPORT COSTS BUDGET BY OBJECT OF EXPENDITURE

<u>Object of Expenditure</u>	Percentage affected by exchange rate <u>Changes</u>	
<u>Salaries</u>		
Established posts	95	Approximately 5 per cent relates to out-of-area expenditure on Professional salaries which is not affected
General temporary assistance	100	Local level salaries fixed according to General Service salary scale in respective local currency
Consultants	10	Subsistence allowance element. Remainder (travel and fees) unaffected
Overtime	100	Calculation based on General Service salary scale in Kshs.
<u>Ad hoc</u> expert groups	Nil	Costs are mainly related to travel of participants and these are not affected
Training	100	Fees of language teachers are fixed in Kshs. No similar expenditure in the regional and liaison offices at present
<u>Common staff costs</u>		
Representation allowance	Nil	Scale established in US dollars

<u>Object of Expenditure</u>	<u>Percentage affected by exchange rate Changes</u>	
Other common staff costs	50	Major posts of the common staff costs (e.g. dependency allowances, assignment allowance, party education grant, travel on appointment, separation, home leave, repatriation grant, termination indemnities) are calculated in US dollars and are thus not affected
<u>Official travel</u>	Nil	Calculated in Fare Construction Units (FCUs. FCU=\$US1) and not affected
<u>Contractual services</u>	10	The only item under this heading relates to the costs for the external auditors, daily subsistence allowances are the only element to be affected
<u>General operating expenses</u>		
Liaison and regional representation	60	40 per cent expenses estimated to incur in US dollars
Rental and maintenance of premises	Nil	Related costs are paid in US dollars
Utilities	100	Electricity, water - costs paid locally
Rental and maintenance of equipment	100	All related costs paid locally
Communications	60	It is estimated that 40 per cent of related costs are incurred in US dollars

<u>Object of Expenditure</u>	Percentage affected by exchange rate <u>Changes</u>	
Hospitality	60	Remainder not affected as it relates to imported items or expenses outside Kenya
Miscellaneous services	60	40 per cent of related costs are estimated to be paid in US dollars
<u>Supplies and materials</u>	60	40 per cent purchased outside Kenya
<u>Furniture and equipment</u>	60	40 per cent estimated purchased outside Kenya
<u>Improvement of premises</u>	60	An estimated 40 per cent relates to purchases made outside Kenya
<u>Fellowships, grants and contributions</u>	95	The salaries of the internal auditors and local level supporting staff account for most of the costs under this head. Treatment is thus the same as for established posts
<u>Contribution to joint administrative activities within the United Nations family</u>	Nil	The costs relate to institutional support to the United Nations Sudano-Sahelian Office

Annex III

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT
FUND FOR THE BIENNIUM 1984-1985: PERFORMANCE REPORT
ESTIMATED ADDITIONAL REQUIREMENTS OR DECREASES
(Thousands of US dollars)

Estimated additional requirements or decreases

Appropriation	Rate of exchange	Inflation	Other changes	Total	Total revised estimates
26 020.0	(1 036.2)	(278.8)	(1 894.0)	(3 209.0)	22 811.0
