

UNITED NATIONS DEVELOPMENT PROGRAMME



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S U P P O R T

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

PROGRAMME SUPPORT AND ADMINISTRATIVE SERVICES BUDGET 1980-1981

Programme support and administrative services expenditures

Report of the Administrator

Summary

In response to paragraph 2 of decision 81/26, the Administrator reports in the present document on the 1980-1981 programme support and administrative services expenditures. These amounted to \$196.2 million (net) against approved appropriations of \$199.4 million (net), resulting in an under-expenditure of \$3.2 million.

The main reasons for this are, in respect of gross expenditures, currency movements, lower inflationary increases and higher vacancy rate than those included in the supplementary budget estimates, offset by a shortfall in income caused by the change to a cash basis in the accounting for Government contributions towards local office costs.

1. By decision 81/26 the Governing Council approved final 1980-1981 net appropriations for UNDP (excluding the Office for Projects Execution (OPE)), the United Nations Volunteers (UNV) and the United Nations Capital Development Fund (UNCDF) in an amount of \$199,448,800, represented by gross appropriations of \$248,024,700 offset by estimated income of \$48,575,900. These three appropriation lines in decision 81/26 correspond to the format of the programme support costs and administrative services costs budget of UNDP as originally approved in decision 79/44 as well as to Schedule 7 of the Financial Report and Audited Financial Statements for the year ended 31 December 1981 (annex II). A reconciliation of the approved appropriations for 1980-1981 is provided in annex I.

2. By decision 81/26 the Governing Council also requested the Administrator to report to the Council at its twenty-ninth session on the 1980-1981 programme support and administrative services expenditures by budget programme and by category of expenditure. This information is summarized in tables 1 and 2.

3. The 1980-1981 expenditures amounted to \$236,748,811 gross; income was received in an amount of \$40,530,908 resulting in net expenditures of \$196,217,903, and an under-expenditure of \$11,275,889 gross, a shortfall in income of \$8,044,992 and a net under-expenditure of \$3,230,897.

4. Of the total under-expenditure of \$11.3 million gross, it is estimated that the currency movements that took place during 1981 accounted for \$5.1 million, of which \$4.4 million related to field offices local expenditures and \$.7 million to post adjustment; the 1981 net inflationary increases were \$.5 million lower than foreseen in the supplementary budget estimates. The under-expenditure due to vacant posts amounted to \$4.7 million (net of currency and inflationary movements). This translates into a vacancy rate of 4.0 per cent as compared with the 2.5 per cent vacancy factor included in the 1980-1981 supplementary budget estimates. The high vacancy rate is due to the efforts of the Administrator to prepare for a phased implementation of the organizational changes necessary in 1982-1983. These efforts began in late 1980 through keeping recruitment activity under close scrutiny and culminated in the Administrator's freeze on recruitment as from 1 July 1981. In the common staff costs area, savings were also achieved through delayed implementation of reassignments during the latter part of 1981. Other factors resulted in a net under-expenditure of \$1.0 million.

5. Included in the latter amount are, inter alia, a substantial reduction in cables and other communications costs, partially brought about by the introduction of the DEVGRAM;^{1/} also included are under-expenditures in the categories consultants, UNDP reimbursement to the United Nations and Electronic Data Processing (EDP) external services and equipment; the savings in the latter category reflect the reduced dependency on EDP consultants and a

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1/ Letter/telegram using simplified language and having priority treatment as regards mail processing.

proportionately greater use of in-house resources to maintain and enhance the UNDP systems in line with Governing Council decision 81/38 on strengthening the Division of Management Information Services (DMIS). On the other hand, over-expenditures were incurred, inter alia, in the categories reimbursement of income tax, temporary assistance, overtime and other staff travel. In order to discharge the continued heavy workload in the administrative sections of UNDP while maintaining the recruitment freeze, the Administrator had to resort to extensive use of temporary assistance and overtime. However, the over-expenditures in these two categories were considerably lower than the savings generated by the recruitment freeze. Over-expenditures in the equipment category are due to the Administrator's efforts to upgrade office equipment aimed at increasing efficiency, e.g. word-processing equipment at headquarters and field office equipment which has been found to be generally outmoded and inadequate such as typewriters, calculators, adding machines.

6. The shortfall in income of \$8.0 million is largely caused by the change in the accounting for Government contributions towards local office costs (GLOC) as from 1 January 1982 on a cash basis instead of an accrual basis. ^{2/} In order to facilitate the transition, the Administrator has decided that only 1980-1981 contributions actually received during the two years be credited to the 1980-1981 biennial budget. During 1980 and 1981, an amount of \$16,984,389 was received as GLOC for these two years, while the estimated contribution included in the biennial budget amounted to \$23,671,100, thus leaving a shortfall of \$6,686,711. In addition, outstanding contributions in the amount of \$740,685 relating to 1979 and prior years were not received during 1980-1981, thus increasing the shortfall in GLOC to \$7,427,396. The resident representatives are in contact with the Governments concerned on the subject of outstanding contributions, and amounts relating to 1981 and prior years received in 1982 and 1983 will be credited to the 1982-1983 biennial budget.

^{2/} See DP/1982/53 para. 46.

Table 1Comparison between 1980-1981 appropriations
, and expenditures by budget programme

Budget programme	1980-1981 appropriations (\$)	1980-1981 expenditures (\$)	(Over)/under expenditures (\$)
Policy making organs	3 012 000	2 782 539	229 461
Executive direction and management	3 122 000	3 121 911	89
Programme management and support	121 593 000	117 066 001	4 526 999
Administrative and common services	112 551 600	106 564 896	5 886 704
United Nations Volunteers	4 432 100	4 004 457	427 643
United Nations Capital Development Fund	3 314 000	3 109 007	204 993
TOTAL GROSS	248 024 700	236 748 811	11 275 889
INCOME	(48 575 900)	(40 530 908)	8 044 992
TOTAL NET	199 448 800	196 217 903	3 230 897

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Table 2

Comparison between 1980-1981 appropriations and
expenditures by category of expenditure

Category of expenditure	1980-1981 appropriations (\$)	1980-1981 expenditures (\$)	(Over)/under expenditure (\$)
Category 000 <u>Salaries and wages</u>			
011 Base salary - internat.staff	52 725 200	51 037 359	1 687 841
012 Post adjustment	16 080 600	14 858 668	1 221 932
013 Base salary - field service level and HQ's GS staff	22 612 700	21 121 179	1 491 521
014 Base salary - field locally recruited staff	38 013 400	37 208 975	804 425
030 Temporary assistance	2 265 000	2 764 286	(499 286)
040 Consultants	1 757 600	1 387 743	369 857
050 Overtime	1 759 000	2 205 518	(446 518)
Total - 000 Salaries and wages	135 213 500	130 583 728	4 629 772
Category 100 <u>Common staff costs</u>			
110 Staff allowances	6 438 300	6 558 927	(120 627)
120 Social security	23 242 900	21 568 352	1 674 448
130 Education grants and travel	3 035 600	2 812 842	222 758
140 Home leave	3 542 000	2 944 149	597 851
150 Appointment, transfer and separation	12 089 000	10 104 456	1 984 544
160 Reimbursement of income tax	5 517 400	6 750 420	(1 233 020)
170-180 Training	1 693 000	1 507 212	185 788
190 Other common staff costs	3 707 000	3 320 823	386 177
Total - 100 Common staff costs	59 265 100	55 567 181	3 697 919
Category 200 <u>Travel on official business</u>			
220 Travel of staff to official meetings	1 048 000	917 923	130 077
240 Other staff travel	4 223 000	4 706 815	(483 815)
Total - 200 Travel on official business	5 271 000	5 624 738	(353 738)

Table 2 (continued)

Category of expenditure	1980-1981 appropriations (\$)	1980-1981 expenditures (\$)	(Over)/under expenditure (\$)
Category 300 <u>Contractual services</u>			
330 External translation	153 000	158 258	(5 258)
340-360 External printing - ext.information contracts	1 310 000	1 390 316	(80 316)
370 EDP external services and equipment	3 010 900	2 727 437	283 463
390 Other specialized services	623 100	501 551	121 549
Total - 300 Contractual services	5 097 000	4 777 562	319 438
Category 400 <u>General operating expenses</u>			
410 Rental and maintenance of premises	10 275 000	9 976 104	298 896
420 Utilities	1 215 000	1 207 553	7 447
430 Rental and maintenance equipment	5 215 000	5 069 066	145 934
440 Communications	10 521 000	8 947 034	1 573 966
450 Hospitality	123 900	99 542	24 358
490 Miscellaneous services	2 552 000	2 328 875	223 125
Total - 400 General operating expenses	29 901 900	27 528 174	2 273 726
Category 500 <u>Supplies and materials</u>			
510 Stationery and office supplies	2 094 000	2 335 547	(241 547)
520 Internal reproduction supplies	996 000	650 569	345 431
530 Library books and supplies	474 000	376 404	97 596
540-590 Public information supplies, misc. supplies	246 000	281 967	(35 967)
Total - 500 Supplies and materials	3 810 000	3 544 487	165 513

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Table 2 (continued)

Category of expenditure	1980-1981 appropriations (\$)	1980-1981 expenditures (\$)	(Over)/under expenditure (\$)
Category 600 <u>Acquisition of furniture and equipment</u>			
610 Office furniture and equipment	2 043 000	2 400 022	(357 022)
640 Vehicles	2 050 000	1 901 833	148 167
Total - 600 Acquisition of furniture and equipment	4 093 000	4 301 855	(208 855)
Category 900 <u>Other expenditure</u>			
931 UNDP share of operating costs International Computing Centre, Geneva	259 200	152 813	106 387
932 UNDP reimbursement to the United Nations	3 656 000	3 117 273	538 727
933-939 Contributions to joint activities	1 458 000	1 351 000	107 000
Total - 900 Other expenditure	5 373 200	4 621 086	752 114
TOTAL GROSS	248 024 700	236 748 811	11 275 889
Income:			
997 Host Govt. contributions	(23 671 100)	(16 243 704)	(7 427 396)
019 Staff assessment	(23 654 800)	(23 139 515)	(515 285)
999 Refund to UNDP from United Nations Joint Staff Pension Fund	(450 000)	(405 574)	(44 426)
994-996 Proceeds of sales	(700 000)	(529 704)	(170 296)
990 Other income	(100 000)	(212 411)	112 411
Total income	(48 575 900)	(40 530 908)	(8 044 992)
TOTAL NET	199 448 800	196 217 903	3 230 897

Annex I

Biennial budget for UNDP (excluding OPE), UNV and UNCIF
Reconciliation of approved appropriations for 1980-1981

	DP/396	Governing Council secretariat a/	DPSC, BSA b/	Subtotal appropriations approved by decision 79/44	Strengthening of Special Unit for TCDC c/ d/	Agency support costs study e/	Supplementary appropriations f/	Total appropriations
UNDP (excluding OPE)	205 314 500	233 000	617 900	206 165 400	1 346 600	103 800	32 662 800	240 278 600
UNV	3 614 500	-	-	3 614 500	-	-	817 600	4 432 100
UNCIF	1 645 200	-	-	1 545 200	-	-	1 668 800	3 314 000
Total Gross	210 574 200	233 000	617 900	211 425 100	1 346 600	103 800	35 149 200	248 024 700
Income	(44 026 700)	(6 000)	(101 600)	(44 134 300)	(137 500)	(9 800)	(4 294 300)	(48 575 900)
Total Net	166 547 500	227 000	516 300	167 290 800	1 209 100	94 000	30 854 900	199 448 800

a/ Official Records of the Economic and Social Council, 1979, Supplement No. 10, (E/1979/40), decision 79/33, 4 (d) (ii).

b/ Division for Programme Support and Co-ordination, Bureau for Special Activities.

c/ Technical Co-operation among Developing Countries.

d/ Document E/1979/40, decision 79/29, 8.

e/ Ibid., decision 79/40, 2.

f/ Official Records of the Economic and Social Council, 1981, Supplement No. 11, (E/1981/61/Rev.1), annex I, decision 81/26, 4,5

Annex II

Schedule 7 included in the Financial Report and Audited Financial
Statements for the year ended 31 December 1981

United Nations Development Programme Account

Administrative and programme support costs

Budget appropriations and expenditure
for the biennium 1980-1981 ended 31 December 1981
(US\$)

	<u>Appropriations</u>	<u>Disbursements</u>	<u>Expenditure</u>		
			<u>Unliquidated obligations as at 31 December 1981</u>	<u>Total expenditure</u>	<u>Unencumbered balance</u>
Policy-making organs	3 012 000	2 738 736	43 803	2 782 539	229 461
Executive direction and management	3 122 000	3 086 544	35 367	3 121 911	89
Programme management and support	121 593 000	114 467 936	2 598 265	117 066 001	4 526 999
Administrative and common services	112 551 600	103 112 076	3 552 820	106 664 896	5 886 704
United Nations Volunteers	4 432 100	3 971 234	33 223	4 004 457	427 643
United Nations Capital Development Fund	3 314 000	3 022 681	86 326	3 109 007	204 993
<u>Gross appropriations and expenditure</u>	<u>248 024 700</u>	<u>230 399 207</u>	<u>6 349 604</u>	<u>236 748 811</u>	<u>11 275 889</u>
Deduct:					
<u>Income</u>					
Host Government cash contributions	23 671 100	16 243 704	-	16 243 704	7 427 396
Staff assessment income	23 654 800	23 139 515	-	23 139 515	515 285
Refund from United Nations Joint Staff Pension Fund	450 000	405 574	-	405 574	44 426
Proceeds of sale and equipment	700 000	529 704	-	529 704	170 296
Other income	100 000	212 411	-	212 411	(112 411)
	<u>48 575 900</u>	<u>40 530 908</u>	<u>-</u>	<u>40 530 908</u>	<u>8 044 992</u>
<u>Net appropriation and expenditure</u>	<u>199 448 800</u>	<u>189 868 299</u>	<u>6 349 604</u>	<u>196 217 903^{a/}</u>	<u>3 230 897</u>

a/ Consisting of: \$91 611 069 - charged against 1980 resources
\$104 606 834 - charged against 1981 resources
\$196 217 903

