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POLICY

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS

BUDGET ESTIMATES FOR 1988-1989

Revised budget estimates for the biennium 1986-1987 and
budget estimates for the biennium 1988-1989

Report of the Administrator

Volume II

Addendum 1

ABBREVIATIONS

- CGIAR - Consultative Group on International Agricultural Research
- IAPSU - Inter-Agency Procurement Services Unit
- INRES - Information Referral System
- OPE - Office for Projects Execution
- TCDC - Technical Co-operation among Developing Countries
- UNCDF - United Nations Capital Development Fund
- UNEP - United Nations Environment Programme
- UNFSTD - United Nations Fund for Science and Technology for Development
- UNIFEM - United Nations Development Fund for Women
- UNRFNRE - United Nations Revolving Fund for Natural Resources Exploration
- UNV - United Nations Volunteers

I. HEADQUARTERS OFFICE SPACE

1. The Administrator's revised estimates for 1986-1987 and his estimates for 1988-1989 incorporate provision for an expansion of the space occupied by the UNDP family of organizations in New York, as well as a consolidation of this space in the FF building on 45th Street. This exercise is summarized for UNDP core activities in paragraph 101 (d) of volume I and in the narrative 2/25 of volume II. Since a number of non-core units are also affected by this exercise, the effect of the consolidation is felt in the estimates of several non-core units also.
2. One element of the exercise was the Administrator's intention to amortize over five years, 1986-1990, the capital costs of reconfiguring the new space acquired by UNDP. In its report on the Administrator's budget estimates, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) queried whether amortization was an appropriate budgetary practice in this instance in view of the fact that the actual disbursement of UNDP funds relating to the reconfiguration costs took place during the 1986-1987 biennium (see paras. 41 to 52 of document DP/1987/56). ACABQ went on to recommend that the 1986-1987 and the 1988-1989 appropriation decisions be modified so as to reflect the entire capital costs of the new space in the 1986-1987 biennium.
3. The Administrator concurs with this recommendation and the purpose of this addendum is therefore to reflect this change in the recommended appropriation decisions for both years. Following is a table which breaks out the amortization schedule as presently embodied in document DP/1987/55, by appropriation line and illustrates the net adjustment in the gross appropriations for each biennium. It will be noted from the table that, while the estimates for 1986-1987 already include two fifths of the amortization provision, the estimates for 1988-1989 also include an identical amount, i.e., two fifths; the remaining one fifth would have been provided for in the 1990-1991 biennial estimates. For this reason, the increase in 1986-1987 estimates is not fully offset by the decrease in the 1988-1989 estimates.

Amortization schedule
 (thousands of US dollars)

	Original amortization schedule			Revised schedule 1986-1987	Net increase in 1986-1987 amortization	Net decrease in 1988-1989 amortization
	1986-1987	1988-1989	1990-1991			
A. <u>UNDP</u>						
Core	274.0	274.0	137.0	685.0	411.0	(274.0)
Support services (extrabudgetary) <u>a/</u>	103.4	103.4	51.7	258.5	155.1	(103.4)
Field related (extrabudgetary) <u>a/</u>	104.8	104.8	52.4	262.0	157.2	(104.8)
Subtotal	482.2	482.2	241.1	1 205.5	723.3	(482.2)
B. <u>Non-core</u>						
OPE	171.6	171.6	85.8	429.0	257.4	(171.6)
UNCDF	25.2	25.2	12.6	63.0	37.8	(25.2)
UNSO	76.6	76.6	38.3	191.5	114.9	(76.6)
UNIFEM	107.0	107.0	53.5	267.5	160.5	(107.0)
Subtotal	380.4	380.4	190.2	951.0	570.6	(380.4)
Total	862.6	862.6	431.3	2 156.5	1 293.9	(862.6)

a/ There is no appropriation for the extrabudgetary resources of UNDP.

4. Table 1 of the annex to this addendum provides a revised appropriation table for 1986-1987. Table 2 of the annex provides a revised appropriation table for 1988-1989.

II. UNIFEM POST CLASSIFICATION

5. The Administrator's 1988-1989 estimates for UNIFEM include provision for, inter alia, an additional three Professional posts (see paras. 95-98 of volume I of document DP/1987/55 and narrative 2/33 of volume II). At the time of going to press, formal classification of these three posts had not been undertaken and, as stated in narrative 2/33, the Administrator stated his intention to advise the Council of the outcome. For the time being, the posts were budgeted as one at the P-5 level and two at the P-4 level.

6. Classification of these three posts has now been completed and all three have been designated at the P-4 level. This requires a reduction in the UNIFEM appropriation of \$37,100, being the biennial cost difference between a P-4 and a P-5 in 1988-1989. Table 2 of the annex, containing the revised appropriation table for 1988-1989, also reflects this adjustment in respect of UNIFEM.

ANNEX

Table 1. Revised 1986-1987 biennial budget

(in thousands of US dollars)

<u>Resources</u>	<u>Gross appropriations</u>	<u>Estimated income</u>	<u>Net appropriations</u>
UNDP			
UNDP core activities	287 985.1	30 257.5	257 727.6
OPE	20 675.7	20 675.7	0.0
IAPSU	2 512.6	2 512.6	0.0
UNV	8 679.9	0.0	8 679.9
UNSO-UNDP/UNEP joint venture (institutional support)	2 000.0	1 000.0	1 000.0
TCDC/INRES	729.4	0.0	729.4
CGIAR	900.0	0.0	900.0
Africa strengthening	1 752.5	0.0	1 752.5
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Total UNDP	325 235.2	54 445.8	270 789.4
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UNCDF	6 309.1	0.0	6 309.1
UNRFRRE	3 076.6	0.0	3 076.6
UNSO	4 345.3	0.0	4 345.3
UNIFEM	2 288.6	0.0	2 288.6
UNFSTD	2 439.2	0.0	2 439.2
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Total appropriations	343 694.0	54 445.8	289 248.2
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Table 2. 1988-1989 biennial budget

(in thousands of US dollars)

<u>Resources</u>	<u>Gross appropriations</u>	<u>Estimated income</u>	<u>Net appropriations</u>
UNDP			
UNDP core activities	334 748.2	36 000.0	298 748.2
OPE	22 092.3	22 092.3	0.0
IAPSU	2 878.3	2 878.3	0.0
UNV	11 106.3	7 106.3	4 000.0
UNSO-UNDP/UNEP joint venture (institutional support)	2 000.0	1 000.0	1 000.0
TCDC/INRES	671.4	0.0	671.4
CGIAR	900.0	0.0	900.0
Africa strengthening	0.0	0.0	0.0
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Total UNDP	374 396.5	69 076.9	305 319.6
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UNCDF	7 195.9	0.0	7 195.9
UNRFNRE	3 035.1	0.0	3 035.1
UNSO	4 496.2	0.0	4 496.2
UNIFEM	3 266.6	0.0	3 266.6
UNFSTD	2 815.0	0.0	2 815.0
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Total appropriations	395 205.3	69 076.9	326 128.4
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