United Nations

Advisory Committee on Administrative and Budgetary Questions

First report on the proposed programme budget for the biennium 2002-2003

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XII.3. **The Advisory Committee notes that for the reasons given in table 32.1, the request of the General Assembly in paragraph 24 of its resolution 54/249 to present one consolidated section for staff assessment inflows and outflows cannot be implemented.**

Part XIII
Development Account

Section 33
Development Account

XIII.1 As indicated in section 33 of the proposed programme budget,[1] the estimate proposed for the Development Account for 2002-2003 remains at $13,065,000 (see paras. 33.1-33.5 and table 33.1). This amount represents the amount authorized by the General Assembly for the biennium 1998-1999 in its resolution 52/221 A of 22 December 1997. The management and sustainability of the Development Account is governed by General Assembly resolution 54/15 of 29 October 1999. In that resolution, the Assembly decided that: (a) savings to be achieved as a result of efficiency measures could be identified in the context of budget performance reports and should be transferred to the Development Account section with the prior approval of the Assembly; and (b) the savings transferred to the Development Account section should form the maintenance base in future proposed programme budgets. Accordingly, by its resolution 54/250 A of 23 December 1999, the Assembly approved an appropriation for the Development Account of $13,065,000 (see para. 33.3). The Advisory Committee notes that no proposals have been made for transfer to the account for 2002-2003.

XIII.2 In view of the level of income estimated for the Development Account for 2002-2003, which is based solely on carry-over income, the Advisory Committee requested clarification concerning the output listed under administrative support services in section 27A, Office of the Under-Secretary-General for Management, which reads “validation of sustainable productivity gains proposed by programme managers for submission to the General Assembly for potential transfer to the Development Account” (para. 27A.12 (c) (viii)). The Committee also asked for an explanation of the impact of the statement in paragraph 57 of the Introduction of the proposed programme budget that “in many cases where there have been savings in dollar terms, programme managers have redirected the released resources to priority areas within their budget sections”, taking into account the statement of the Committee in its report on the Development Account in which it pointed out that the degree to which efficiency measures can continue to lead to quantifiable resources for transfer to the Account would be affected by a prolongation of the current budgetary constraints (A/53/7/Add.1, para. 10).

XIII.3 The Advisory Committee received a response from the Under-Secretary-General for Management in which he stated that productivity and efficiency activities were by nature long term and that after having been able to identify a series of quick gains early on, it would require some “maturation” before new activities generated savings that were sustainable and therefore would qualify for redeployment to the Development Account. **In this connection, the Committee reiterates that it concurs with the view expressed in paragraph 57 of the Introduction to the proposed programme budget that efficiency measures and**

performance measurement do not necessarily yield immediate savings and that sometimes efficiency measures require new investment, particularly in information technology (see chap. I, para. 63, above).

XIII.4 The Advisory Committee also had before it the report of the Secretary-General on the implementation of projects financed from the Development Account. The Committee notes that 23 projects have been approved, at a total cost of $26,130,000, since the establishment of the Development Account (A/55/913, para. 2). As shown in annexes II and III to the report, of the amount approved, a total of $8,884,000 had been spent as at 31 March 2001 ($6,900,600 for projects funded in the biennium 1998-1999 and $1,983,400 for projects funded in the biennium 2000-2001), leaving a balance of $17,246,000. Upon enquiry, the Committee was informed that the reason for the low expenditure for 1998-1999 related to the timing of the approval of the projects. The General Assembly had approved the projects for 1998-1999 in its resolutions 53/220 A of 7 April 1999 and 53/220 B of 8 June 1999.

XIII.5 **The Advisory Committee requests the Secretary-General, in his next report on the issue, to provide a thematic impact analysis of the projects. In addition, the Committee recommends that the table in annex III to his report be expanded to include for each project the date of commencement, the projected date of completion and the implementing agency.**

B. Estimates of income

Income section 1
Income from staff assessment

IS1.1 In the proposed programme budget for the biennium 2002-2003,[1] the Secretary-General estimates $348,364,200 as the amount of staff assessment under expenditure section 32, Staff assessment, and income section 3, Services to the public. The amount of staff assessment not otherwise disposed of by specific resolution of the General Assembly will be credited to the Tax Equalization Fund, established by the Assembly in its resolution 973 A (X) of 15 December 1955 for distribution to Member States in accordance with the scale of assessments for the regular budget applicable to the financial year concerned.

IS1.2 The total estimate under income section 1 is $4,769,700 more than the total estimate under section 32 because the former includes income from staff assessment derived from emoluments of staff who are charged to revenue-producing activities under income section 3; on the other hand, the staff assessment paid to such staff is shown under income section 3 rather than section 32.

Income section 2
General income

IS2.1 As indicated in tables IS2.1 and IS2.2 of the proposed programme budget, the estimate of total general income for the biennium 2002-2003 amounts to $47,164,000, an increase of $4,435,400 compared with the estimate of $42,728,600 for 2000-2001.

IS2.2 The Advisory Committee notes from paragraph IS2.1 that an increase of $656,100 in income from the rental of premises at Headquarters is the net effect of the application of a higher rental rate beginning in 2002, a reduction in the amount