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Financing of the International Residual Mechanism for Criminal Tribunals

First performance report on the budget of the International Residual Mechanism for Criminal Tribunals for the biennium 2012-2013

Report of the Secretary-General

Summary

The first performance report on the budget of the International Residual Mechanism for Criminal Tribunals for the biennium 2012-2013 is submitted pursuant to General Assembly resolution 66/240 A.

As reflected in section II of the present report, the total amount of \$54,756,700 gross for revised estimates takes into account post-related actual expenditure experience in 2012 and updated projected rates. On this basis, the revised estimates reflect an increase of \$4.6 million, net of staff assessment, over the initial appropriation for the biennium 2012-2013.

It will be recalled that, in the context of the regular budget, the General Assembly, in its resolution 66/246, decided to defer consideration of post-related recosting for inflation and exchange rate projections to the first performance report on the budget for the biennium 2012-2013, in order to ensure appropriation of post-related costs in line with actual expenditure experience. Post-related recosting was similarly deferred pursuant to resolution 66/240 A, as detailed in the annex thereto. Accordingly, section III of the present report indicates a total amount of \$53,676,500 gross for revised estimates taking into account post-related actual expenditure experience in 2012 and the deferral of post-related recosting for updated projected rates. On that basis, the revised estimates reflect an increase of \$3.8 million, net of staff assessment, over the initial appropriation for the biennium 2012-2013.

The action to be taken by the General Assembly is provided in section IV of the present report.



I. Introduction

1. The primary purpose of the first performance report is to identify revised estimates owing to variations in the rates of inflation and exchange and in the standards and vacancies assumed in the calculation of the initial appropriations. The variations take into account post-related actual expenditure experience in 2012 and updated projected rates.

2. The net increase of \$4,583,600 for the International Residual Mechanism for Criminal Tribunals results from the technical adjustments shown in tables 2 and 3 below. Table 2 reflects the changes by component and main determining factor, and table 3 reflects the changes by object of expenditure and main determining factors.

3. Explanations of the variations in the costing parameters assumed in the calculation of the initial appropriations are provided in section II. In addition, the annex provides the budgetary assumptions used in the initial appropriations for the biennium 2012-2013 and the rates used in the present report.

4. Section III of the report indicates net adjustments in the amount of \$3,760,500, taking into account post-related actual expenditure experience in 2012 and deferral of post-related recosting for updated projected rates, pursuant to General Assembly resolution 66/240 A.

5. The revised estimates are summarized in table 1 below.

Table 1
Summary of revised estimates

(Thousands of United States dollars)

<i>International Residual Mechanism for Criminal Tribunals</i>	<i>Initial level^a</i>	<i>Revised estimates based on post-related actual expenditure experience and updated projected rates</i>			<i>Revised estimates based on post-related actual expenditure experience</i>		
		<i>Increase over initial appropriation</i>		<i>Amount</i>	<i>Increase over initial appropriation</i>		<i>Amount</i>
		<i>Amount</i>	<i>Percentage</i>		<i>Amount</i>	<i>Percentage</i>	
Expenditure (gross)	49 771.7	4 985.0	10.0	54 756.7	3 904.8	7.8	53 676.5
Income	2 446.6	401.4	16.4	2 848.0	144.3	5.9	2 590.9
Total (net)	47 325.1	4 583.6	9.7	51 908.7	3 760.5	7.9	51 085.6

^a As approved in resolution 66/240 A.

II. Revised estimates based on post-related actual expenditure experience and updated projected rates

6. The changes resulting from the main determining factors based on the existing budgetary procedures and methodologies are summarized in tables 2 and 3 below.

Table 2
Summary of projected expenditures and income by component and main determining factors
 (Thousands of United States dollars)

Component	2012-2013 appropriation ^a	Exchange rate	Projected changes				Total	Revised estimates based on post-related actual expenditure experience and updated projected rates
			Inflation	Standard costs	Vacancies			
A. Chambers	3 647.2	205.3	150.5	–	–	355.8	4 003.0	
B. Office of the Prosecutor	6 814.8	(107.1)	793.8	(7.3)	37.8	717.2	7 532.0	
C. Registry	35 923.1	1 136.0	2 420.3	(32.0)	30.5	3 554.8	39 477.9	
D. Records management and archives	3 386.6	(249.9)	496.3	58.2	52.6	357.2	3 743.8	
Total expenditure (gross)	49 771.7	984.3	3 860.9	18.9	120.9	4 985.0	54 756.7	
Income								
Staff assessment income	2 446.6	(138.5)	518.9	11.4	9.6	401.4	2 848.0	
Total (net)	47 325.1	1 122.8	3 342.0	7.5	111.3	4 583.6	51 908.7	

^a As approved in resolution 66/240 A.

Table 3
Summary of projected expenditures by object of expenditure and main determining factors
 (Thousands of United States dollars)

Object of expenditure	2012-2013 appropriation ^a	Exchange rate	Projected changes				Total	Revised estimates based on post-related actual expenditure experience and updated projected rates
			Inflation	Standard costs	Vacancies			
Posts	9 403.5	(904.3)	1 830.9	7.5	111.3	1 045.4	10 448.9	
Other staff costs	18 768.9	1 101.5	808.7	–	–	1 910.2	20 679.1	
Non-staff compensation	3 335.8	205.3	150.7	–	–	356.0	3 691.8	
Consultants and experts	140.3	8.7	6.2	–	–	14.9	155.2	
Travel of representatives	311.4	–	(0.2)	–	–	(0.2)	311.2	
Travel	2 339.1	–	(1.0)	–	–	(1.0)	2 338.1	
Contractual services	4 187.4	249.4	185.8	–	–	435.2	4 622.6	
General operating expenses	3 663.5	157.4	137.4	–	–	294.8	3 958.3	
Supplies and materials	483.9	29.8	21.9	–	–	51.7	535.6	
Furniture and equipment	1 079.0	66.5	48.6	–	–	115.1	1 194.1	
Improvement of premises	3 385.3	208.5	153.0	–	–	361.5	3 746.8	

<i>Object of expenditure</i>	<i>2012-2013 appropriation^a</i>	<i>Exchange rate</i>	<i>Projected changes</i>				<i>Total</i>	<i>Revised estimates based on post-related actual expenditure experience and updated projected rates</i>
			<i>Inflation</i>	<i>Standard costs</i>	<i>Vacancies</i>			
Grants and contributions	227.0	–	–	–	–	–	227.0	
Staff assessment	2 446.6	(138.5)	518.9	11.4	9.6	401.4	2 848.0	
Total (gross)	49 771.7	984.3	3 860.9	18.9	120.9	4 985.0	54 756.7	
Income								
Staff assessment income	2 446.6	(138.5)	518.9	11.4	9.6	401.4	2 848.0	
Total (net)	47 325.1	1 122.8	3 342.0	7.5	111.3	4 583.6	51 908.7	

^a As approved in resolution 66/240 A.

7. It will be recalled that, in its resolution 66/240 A, the General Assembly decided to defer consideration of post-related recosting for inflation and exchange rate projections to the first performance report on the budget for the biennium 2012-2013, in order to ensure appropriation of post-related costs in line with actual expenditure experience. Accordingly, post-related requirements for inflation and exchange rates in the initial appropriation for the biennium 2012-2013 are at the same level as those in the revised appropriation for the biennium 2010-2011. As set out in section II therefore, the adjustments for posts are based on the actual experience during the year and updated projections compared with those approved in the revised appropriation for the biennium 2010-2011.

8. For non-post-related requirements, the adjustments are based on actual experience during the year and updated projections compared with those foreseen in the initial appropriation for the biennium 2012-2013.

A. Changes in exchange rates

(Increase: \$984,300)

9. The basis for recosting can be either the average operational rates of exchange experienced thus far in the biennium (the averaging method) or the operational rates in effect at the time of recosting (the latest rate). It will be recalled that, in its report on the accounts of the United Nations for the biennium ended 31 December 1995 (A/51/5 (Vol. I), chap. II, para. 110), the Board of Auditors recommended that budgetary assumptions relating to operational exchange rates be based on an averaging method instead of the latest available exchange rates. The Secretary-General had indicated that it would not be advisable to predetermine whether the averaging method or the latest month should be used for budget forecasting and recosting and that such a decision should be taken at the time of each recosting. This was reported to the General Assembly and agreed to by the Advisory Committee on Administrative and Budgetary Questions (see A/51/7/Add.1-9 and A/51/7/Add.6, para. 5), which indicated that the Secretary-General should use such rates as would allow for the lowest estimates.

10. In the present performance report, the exchange rates realized have been applied to the period from January to October 2012, and the October 2012 exchange rate has been applied to November and December 2012. For 2013, the average operational rates of exchange experienced thus far in the biennium (the averaging method) have been applied for the euro and Tanzanian shilling, so as to allow for the lowest estimate in respect of requirements in accordance with established methodology. The increase of \$984,300 mainly relates to overall appreciation of the Tanzanian shilling in 2012, compared with the budgeted rate for non-posts (see figures I and II below). Adjustments resulting from actual experience in 2013 would be implemented in the second performance report for the biennium 2012-2013.

Figure I
Performance of the euro against the United States dollar, 2012

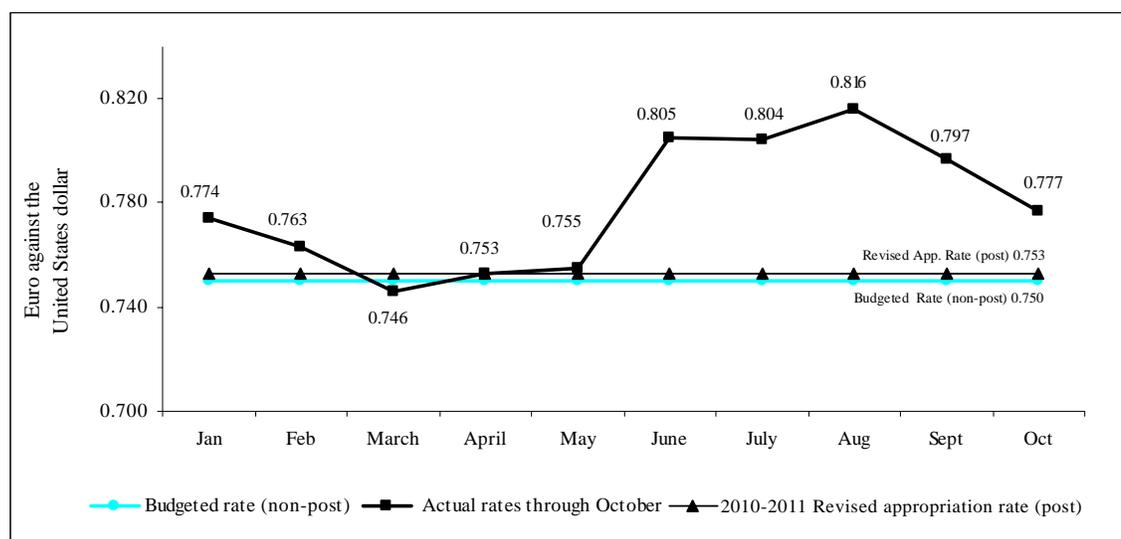
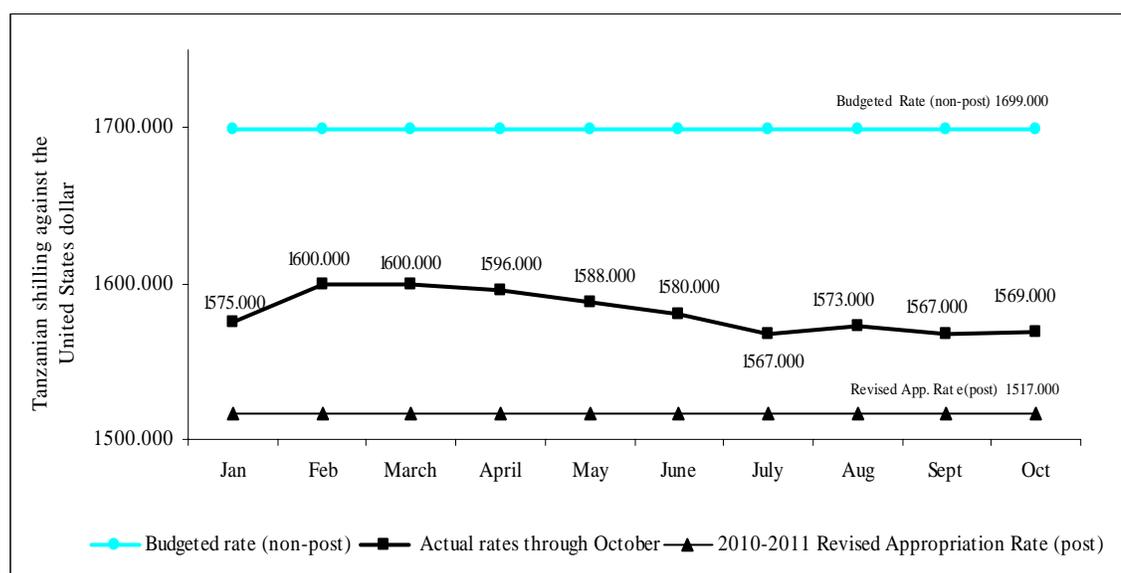


Figure II
Performance of the Tanzanian shilling against the United States dollar, 2012



B. Changes in inflation assumptions

(Increase: \$3,860,900)

11. The revised projected inflation rates applied to all objects of expenditure in Arusha (United Republic of Tanzania) and The Hague (Netherlands) are based on: (a) post adjustment multipliers that have been promulgated by the International Civil Service Commission (ICSC) for the Professional category and above for the period from January to October 2012 and projections based on ICSC data; (b) actual versus budgeted cost-of-living adjustments based on prevailing market conditions for the General Service and related categories; and (c) the latest available information on consumer price indices as derived from *The Economist* for non-post objects of expenditure.

12. The increase relates to upward cost-of-living adjustments applicable to posts in the General Service and related categories and to post adjustment multipliers applicable to posts in the Professional and higher category as well as upward adjustments to non-post object codes.

C. Adjustments to standard costs

(Increase: \$18,900)

13. The increase of \$18,900 results from the net effect of adjustments to standard salary costs, common staff costs and staff assessment rates. Revisions to standard salary costs for 2012 are based on the actual payroll averages experienced thus far in the biennium, by category and level at each duty station. For the present report, January to September 2012 monthly payroll averages from Arusha and The Hague have been analysed for each category and level and compared with those used in the initial appropriation. Projections for 2013 are based on the trends experienced in 2012.

14. Common staff costs are budgeted as a percentage of net salaries for each duty station. Expenditures under common staff costs relate to allowances and benefits, appointments, transfers and separation of staff. Adjustments to common staff costs is based on the analysis of actual common staff costs experience for all duty stations during the biennium 2010-2011 as well as the experience from January to September 2012 compared with those assumed in the initial appropriation.

D. Vacancies

(Increase: \$120,900)

15. The increase of \$120,900 results from the adjustments to the 2012-2013 vacancy rates, taking into account the experience realized, as reflected in the annex.

III. Revised estimates based on post-related actual expenditure experience

16. Section II above identifies adjustments as a result of variations in costing parameters, taking into account post-related actual expenditure experience in 2012 and updated projected rates for the biennium 2012-2013. Consequently, the revised estimate based on post-related actual expenditure and updated projected rates is \$54,756,700, as reflected in table 4, and will be included in the base for the proposed programme budget for the biennium 2014-2015.

17. In line with General Assembly resolution 66/240 A, the revised estimates are based on the post-related actual expenditure experience in 2012, with deferral of post-related recosting for updated projected rates. Accordingly, the revised estimates amount to \$53,676,500. The adjustments resulting from actual experience for the biennium will be reported in the second performance report for the biennium 2012-2013.

18. Accordingly, the amount of \$4,474,200 under posts for 2012 reflects the actual expenditure experience from January to September, extrapolated to December. It should be noted that the amount excludes the ICSC projections for post adjustments to year end. For 2013, the amount of \$7,742,500 under posts reflects the deferred post-related recosting and is therefore at the same level as the initial appropriation. Non-post resources are recosted in accordance with existing practice as detailed in section II above.

Table 4

Revised estimates based on post-related actual expenditure experience against the initial appropriation

(Thousands of United States dollars)

	Initial appropriation ^a	Revised estimates based on post-related actual expenditure experience	Increase over initial appropriation	
			Amount	Percentage
Total (gross)	49 771.7	53 676.5	3 904.8	7.8
Total (net)	47 325.1	51 085.6	3 760.5	7.9

^a As approved in resolution 66/240 A.

Table 5
Revised estimates for the biennium 2012-2013

(Thousands of United States dollars)

<i>Object of expenditure</i>	<i>Revised estimates based on post-related actual expenditure experience and updated projected rates</i>			<i>Revised estimates based on post-related actual expenditure experience</i>			<i>Variance</i>		
	<i>2012</i>	<i>2013</i>	<i>2012-2013^a</i>	<i>2012</i>	<i>2013</i>	<i>2012-2013</i>	<i>2012</i>	<i>2013</i>	<i>2012-2013</i>
Posts (including staff assessment)	4 481.8	8 815.1	13 296.9	4 474.2 ^b	7 742.5 ^c	12 216.7	(7.6)	(1 072.6)	(1 080.2) ^d
Non-post	20 036.5	21 423.3	41 459.8	20 036.5	21 423.3	41 459.8	–	–	–
Total (gross)	24 518.3	30 238.4	54 756.7	24 510.7	29 165.8	53 676.5	(7.6)	(1 072.6)	(1 080.2)
Income									
Staff assessment income			2 848.0			2 590.9			(257.1)
Total (net)			51 908.7			51 085.6			(823.1)

^a Will be included in the base for the proposed programme budget for the biennium 2014-2015.

^b Based on actual expenditure experience (January to September, extrapolated to December).

^c At the same level as the initial appropriation.

^d Post-related deferred recosting.

IV. Action requested of the General Assembly

19. **The General Assembly is requested to take note of the revised level of resources for the biennium 2012-2013 and the base for the proposed programme budget for the biennium 2014-2015, as contained in table 5.**

20. **The General Assembly is further requested to decide on the revised estimates, as reflected in table 4, in accordance with resolution 66/240 A.**

Annex

Budgetary assumptions for the International Residual Mechanism for Criminal Tribunals for the biennium 2012-2013

<i>Budget parameters</i>	<i>The Hague</i>				<i>Arusha</i>			
	<i>Initial appropriation</i>		<i>Present report</i>		<i>Initial appropriation</i>		<i>Present report</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Rate of exchange ^a	0.750 ^b	0.750 ^b	0.779	0.779	1 699.000 ^b	1 699.000 ^b	1 579.417	1 579.417
Inflation rate (percentage)	2.0	1.8	2.6	2.0	12.0	7.6	15.3	7.6
Post adjustment multiplier (percentage)	53.53 ^c	56.13 ^c	49.58	52.10	50.58 ^c	58.27 ^c	50.37	55.58
Common staff costs rate (percentage)	35.08	35.08	38.54	38.54	68.82	68.62	64.30	64.30
Vacancy rates for continuing posts (percentage)								
Professional category and above	9.50	9.50	8.80	8.80	15.10	15.10	15.70	15.70
General Service and related categories	7.90	7.90	0.20	0.20	8.90	8.90	4.60	4.60
Vacancy rates for new posts (percentage)								
Professional category and above	50.00	50.00	50.00	50.00	15.10	15.10	15.70	15.70
General Service and related categories	40.00	40.00	40.00	40.00	8.90	8.90	4.60	4.60

^a The Hague: euro to United States dollar; Arusha: Tanzanian shilling to United States dollar.

^b Budgeted rate for non-post requirements only; posts are at the 2010-2011 revised appropriation rate of 0.753 for 2012 and 2013 for The Hague; and 1,438.833 for 2012 and 1,517.000 for 2013 for Arusha.

^c Deferred budgeted rate (in accordance with resolution 66/240 A); the budgeted rate as approved in the revised appropriation for 2010-2011 is 50.73 for 2012 and 52.00 for 2013 for The Hague; and 40.80 for 2012 and 39.93 for 2013 for Arusha.