



General Assembly

Distr.: General
13 December 2019

Original: English

Seventy-fourth session
Agenda items 135 and 147

Proposed programme budget for 2020

**Financing of the International Residual Mechanism for
Criminal Tribunals**

Revised estimates: effect of changes in rates of exchange and inflation

Revised estimates for the International Residual Mechanism for Criminal Tribunals: effect of changes in rates of exchange and inflation

Thirty-second report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for 2020

1. The Advisory Committee on Administrative and Budgetary Questions has considered advance versions of the reports of the Secretary-General on the effect of changes in rates of exchange and inflation on the proposed programme budget for 2020 ([A/74/585](#)) and on the proposed budget for the International Residual Mechanism for Criminal Tribunals for 2020 ([A/74/586](#)). During its consideration of the reports, the Advisory Committee met representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses provided on 11 December 2019.

2. The Advisory Committee notes with concern that the advance versions of the reports and some responses to its questions were not made available in sufficient time to allow for a detailed examination of the content before the finalization of its report. Moreover, a number of responses to the Committee's questions were not provided. **The Advisory Committee recommends that the General Assembly request the Secretary-General to ensure the submission of all future reports and related additional information requested in a timely manner.**

Effect of changes in rates of exchange and inflation on the proposed programme budget for 2020

3. The Secretary-General indicates that the updated projections presented in his report take into account the request contained in section IX, paragraph 8, of General



Assembly resolution 69/274 A, wherein the Assembly requested the Secretary-General to ensure that the deployment of Umoja Extension 2 addressed the current shortcomings regarding the visibility and the internal flow of information. The Secretary-General also indicates that the recosting was prepared using expenditure analyses to improve on the assumptions applied to the recosting parameters, notably currency exchange rates and inflation, adjustments to standard costs (payroll and common staff costs) and vacancy rates. For example, previous assumptions on the currency of expenditures in the respective duty stations were refined to take into account actual experience of currency use from January 2016 to September 2019, allowing the current proposals to be based on currency usage and requirements for 73 currencies rather than for 12, as was the case previously. Furthermore, the percentage of currency distribution has been refined on the basis of expenditure experience, resulting in lower exposure to exchange rate fluctuations for non-post objects of expenditure, as the majority of the expenditures were in United States dollars (A/74/585, paras. 5 and 11 and table 3). **The Advisory Committee notes these positive developments and recommends that the General Assembly request the Secretary-General to continue to refine expenditure analyses and to reflect further improvements in future reports.**

4. The Secretary-General indicates that the impact of the proposed recosting on the proposed programme budget for 2020, including revised estimates and programme budget implications, is a decrease of \$4,644,100, under the expenditure sections, from \$3,083,461,200 (if the recommendations of the Advisory Committee were to be applied) to \$3,064,970,400, and a decrease of \$536,900, under income sections 1 to 3 of the proposed programme budget, from \$291,292,900 (if the recommendations of the Committee were to be applied) to \$290,756,000 (*ibid.*, table 7 and schedule 6).

5. In view of the foregoing (see para. 2 above), the Advisory Committee trusts that the Secretary-General will provide further clarification on the following elements to the General Assembly at the time of its consideration of the present report:

(a) The latest currency exchanges rates, as close as possible to the time of the adoption by the General Assembly of its resolutions on the proposed programme budget for 2020, including any updates to the United Nations rates of exchange for January 2020 that will become available on 31 December 2019;

(b) An updated version of schedule 6 of the report of the Secretary-General to include data for each budget section, reflecting recosting estimated on the basis of the established methodology for new posts, under which a 50 per cent vacancy rate is applied for 24 months;¹

(c) Detailed explanations on the following proposed recosting amounts presented in schedule 6 of the report of the Secretary-General: (i) section 21, Economic and social development in Latin America and the Caribbean, column 5, recosting for inflation in the amount of \$7,459,900; (ii) section 26, Palestine refugees, column 6, recosting for standard costs in the amount of \$3,313,500; (iii) section 33, Construction, alteration, improvement and major maintenance, column 4, recosting for exchange rates in the amount of -\$234,200; and (iv) section 36, Staff assessment, column 5, recosting for inflation in the amount of \$6,419,600;

(d) With regard to table 6 on revised estimates and statements of programme budget implications for the proposed programme budget for 2020, the reason for the differentiated treatment of the request for a subvention to the Residual Special Court

¹ The report of the Secretary-General reflects, under column 7 of schedule 6, recosting applied to requirements for new posts based on the application of a vacancy rate of 50 per cent for a 12-month period.

for Sierra Leone, which is included in the list, and the estimates relating to the subvention to the Extraordinary Chambers in the Courts of Cambodia, which are excluded;

(e) Also with regard to table 6, under the item entitled “Progress in the implementation of a flexible workplace at United Nations Headquarters (A/74/345)”, an explanation for the adjustment of \$1,513,800 that is indicated as being recommended by the Advisory Committee, given that in its report the Committee recommended a reduction of \$1,135,752 for the rental of the floor requested under subsection 29B, Department of Operational Support (A/74/7/Add.18, para. 12);

(f) The reasons why data on the following factors are provided by country rather than by duty station as was the case previously, and why only data for selected rather than all countries are provided: (i) schedule 1, rates of exchange relative to the United States dollar; (ii) schedule 2, annual rates of inflation by country/area; (iii) schedule 3, post adjustment multipliers by country; and (iv) schedule 4, annual cost-of-living adjustments by country (General Service);

(g) A table comparing data on the final appropriation for 2018–2019 and the proposed estimates for 2020 in a similar format to the table provided under paragraph 6 below.

Effect of changes in rates of exchange and inflation on the proposed budget of the International Residual Mechanism for Criminal Tribunals for 2020

6. The Secretary-General indicates that the impact of the proposed recosting on the proposed budget of the International Residual Mechanism for Criminal Tribunals for 2020 is a decrease of \$3,488,400, from \$106,054,900 to \$102,566,500 (A/74/586, para. 6). The Secretary-General also indicates that the adjustments recommended by the Advisory Committee were not available at the time of the preparation of his report. Upon enquiry, the Committee was informed that no new posts had been proposed for the Mechanism for 2020 and that there would be no impact on the budget of the Mechanism if the methodology for the vacancy rates for new posts were to change (see para. 5 (b) above). Upon enquiry, the Committee was provided with the following table comparing data on the final appropriation for 2018–2019 and the proposed estimates for 2020.

Second performance report for the biennium 2018–2019				Revised estimates for 2020				
Revised 2018–2019 appropriation	Total decrease from second performance report	Proposed 2018–2019 final appropriation	Proposed programme budget before recosting	Preliminary recosting	Proposed programme budget after preliminary recosting	Total decrease from revised estimates	Proposed estimates after adjustments for revised estimates	
Total gross (including staff assessments)	195 720.6	(10 292.3)	185 428.3	103 690.8	2 364.1	106 054.9	(3 488.4)	102 566.5