



Understanding the United Nations Budgetary Process

**Office of Programme Planning, Budget and Accounts
Department of Management
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Budget Categories

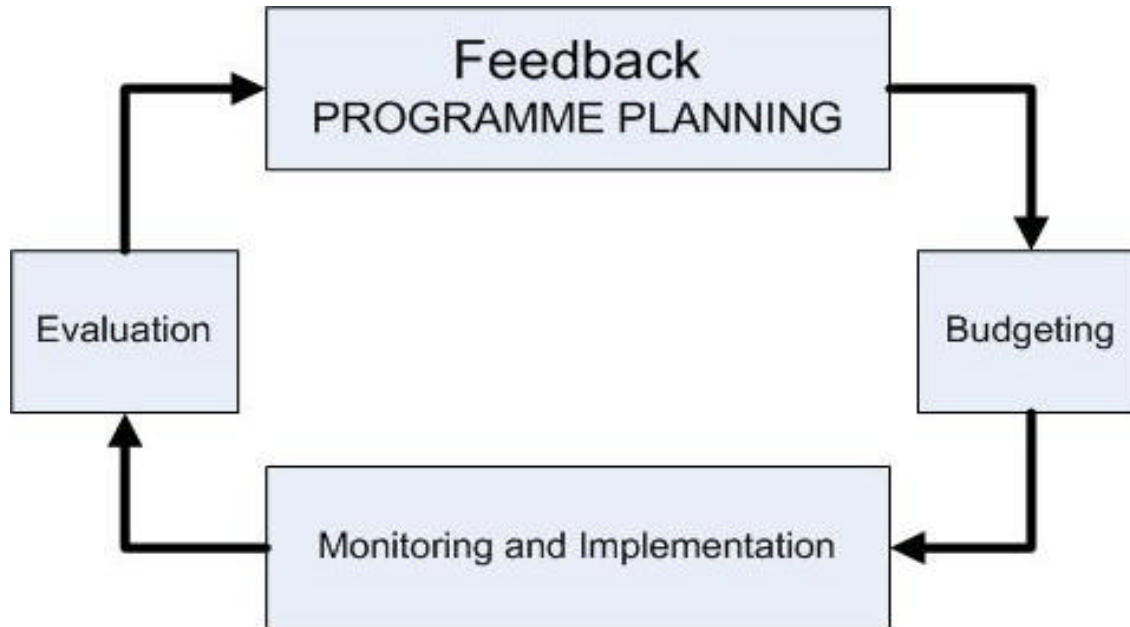
1. Regular budget (Biennial)
 - Approx. \$4.2 billion for the biennium 2008-2009, 9900 staff, covers the cost of the U.N. Secretariat in New York, Geneva, Vienna, Nairobi, the 5 Regional Economic Commissions, 29 Special Political Missions (Iraq, Afghanistan, etc.) and various information centres.

2. Peacekeeping budgets (Annual)
 - Approx. \$7.1 billion annual for the period 2008-2009, 30,000 civilian staff, 15 ongoing peacekeeping missions

3. International Tribunals – ICTR and ITY (Biennial)
 - Budgets for 2008-2009 amount to approximately \$615.0M

4. Capital Master Plan (HQ refurbishment)
 - Assessed project 2007 – 2013 estimated at \$1.9 billion

Budgetary Cycle





Regular budget for 2008-2009

Amounts as approved in December 2007

<i>Section</i>		<i>2008-2009 Initial appropriations (\$Million)</i>
Part I.	Overall policy-making, direction and coordination	718.6
Part II.	Political affairs	626.1
Part III.	International justice and law	87.3
Part IV.	International cooperation for development	398.4
Part V.	Regional cooperation for development	477.1
Part VI.	Human rights and humanitarian affairs	259.2
Part VII.	Public information	184.0
Part VIII.	Common support services	540.2
Part IX.	Internal oversight	36.0
Part X.	Jointly financed administrative activities and special	108.5
Part XI.	Capital expenditures	58.8
Part XII.	Safety and security	197.2
Part XIII.	Development Account	18.7
Part XIV.	Staff assessment	461.4
Total		4,171.4



I. Regular Budget

Context

- Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8)



I. Regular Budget

Procedure governed by the General Assembly resolutions 41/213, 42/211 and 58/269

- CONSENSUS – No voting (long informal consultations)

- MAIN DOCUMENTS
 - 2-year Strategic framework/plan – principal policy directive of the Organization
 - Budget outline
 - Programme budgets
 - Budget performance (1st and 2nd Performance Reports)

- CONTINGENCY FUND

- CURRENCY & INFLATION



I. Regular Budget

- A. Strategic Framework
- B. Budget Outline
- C. Budget Preparation
- D. Adoption of the proposed programme budget 2010-2011
- E. Action on programme budget 2008-2009
- F. Programme budget implications
- G. The Contingency Fund



A. Strategic Framework

- **Part One: Plan Outline** – longer term objectives and priorities
- **Part Two: The Biennial Programme Plan** provides a structure of programmes and sub-programmes for use in the programme budget. It addresses the objectives to be addressed in implementing mandates. The RBB logical framework of objectives, expected accomplishments and indicators of achievement at the subprogramme level are first set out in the biennial programme plan
- Biennial programme plan is the basis for budget preparation

27 Plan programmes → →→→→ 35 Budget sections

- The General Assembly, at its sixty-third session will review the strategic framework for 2010-2011 (A/63/6), which provides the framework for the proposed programme budget for 2010-2011. The GA will also review the report of the Committee for Programme and Coordination (CPC) (A/63/16).



B. Budget Outline

- The Budget Outline provides a preliminary indicative estimate of resource requirements for a forthcoming biennium
- The General Assembly at its sixty-third session will review the proposed Budget Outline for 2010-2011 and approve a level, and priorities for 2010-2011



Regular Budget Cycle

First Year [Off-budget year]

Regular Budget - First year (2008)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008-2009 BUDGET												First performance report
2010-2011 PLAN				Proposed Strategic Framework issued		CPC reviews Strategic Framework			5th Comm. Reviews Strategic Framework			
2010-2011 BUDGET OUTLINE											SG Issues Budget Outline + ACABQ Reviews	5th Comm. Reviews Budget Outline
2010-2011 BUDGET										Budget Instructions Issued		Deadline for Submissions

Regular Budget Cycle (Cont.)

Second Year [Budget year]

Regular Budget - Second year (2009)												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008-2009 BUDGET												Second performance report
2010-2011 BUDGET	Internal review of budget submissions	Joint review of individual proposals with programme managers	Review by SG and by designated committees	Proposed Programme Budget Fascicles Issued	ACABQ Review	CPC* Review			5th Comm. Review	-----		
2012-2013 PLAN									Strategic Framework Instructions Issued			Deadline for submission of Strategic Framework Proposals

* CPC review of programmatic aspects in instances where new mandates/revised require changes to approved biennial programme plan.



C. New Budget Preparation (2010-2011)

1. **First year of prior biennium (2008)**

- **Programme budget outline** submitted to the General Assembly through the Advisory Committee on Administrative and Budgetary Questions (ACABQ)

2. **Second year of the biennium (2009)**

- Review of departmental submissions and preparation of the **programme budget fascicles**, January to April. Bilateral meetings of Departments with Department of Management. The fascicles continue to reflect the Results Based Budgeting format with summary information on post and non-post resources (supplementary detailed information by object of expenditure is provided to the ACABQ and also posted on the 5th Committee website)



C. New Budget Preparation (2010-2011) (Cont.)

- **In June/July, the CPC reviews any programmatic changes in the proposed programme budget arising from new and/or revised mandates subsequent to adoption of the framework. ACABQ reviews the budget from May to July 2009.**
- **The Fifth Committee** reviews the proposed programme budget from October to December 2009, by which time it will have the report of the ACABQ, and as applicable, the report of the CPC.



D. Adoption of the New Budget

Proposed programme budget (2010-2011)

- **The Fifth Committee** to review the programme budget in 2009 in two stages, the "**first reading**" and the "**second reading**":
 - (a) **First reading consists of:**
 - proposed programme budget, section by section;
 - recommendations by ACABQ thereon.
 - (b) At the same time, the Fifth Committee also to consider **adjustments** that may be required to the proposed programme budget as follows:
 - statements of programme budget implications (PBIs) of draft resolutions
 - these PBIs are reviewed by ACABQ and may be subject to use of the contingency fund.
 - revised estimates for items not included in the proposed programme budget owing to unavailability of information at the time of preparation or to developments that took place after the preparation of the proposed programme budget; also reviewed by ACABQ.



D. Adoption of the New Budget (Cont.)

Proposed programme budget (2010-2011)

- (c) **Second reading takes into account:**
 - results of first reading and the adjustments;
 - recosting of resources. (New exchange rates, inflation etc.)
- The amounts approved on first reading, to which are added the adjustments approved under (a), (b) and (c) are approved on second reading and become the

INITIAL APPROPRIATIONS FOR THE BIENNIUM

- The **General Assembly**, when approving the initial appropriations, also makes provision, by a separate resolution, for **unforeseen and extraordinary expenses**, spelling out the conditions under which the Secretary-General may enter into commitments in the biennium to meet unforeseen and extraordinary expenses arising during that biennium.

E. Action on Current Budget

Programme budget 2008-2009

1. First year of the biennial period - 2008

- ? The Fifth Committee takes action on additional resources, after review by ACABQ, generally to be added to the second year appropriation, in the form of the following adjustments:
- statements of programme budget implications ;
 - revised estimates;

- November 2008 { ? The Fifth Committee also reviews the **first performance report** which outlines adjustments to the initial appropriations as a result of:
- changes in rates of exchange and inflation and adjustments to standard costs;
 - unforeseen and extraordinary expenses incurred.

- ? The initial appropriations, as modified by adjustments, the first budget performance report and recosting, will be approved by the Fifth Committee and become, at the end of the first year of the biennial period the

REVISED APPROPRIATIONS



E. Action on Current Budget (cont.)

Programme budget 2008-2009

2. **Second year of the biennial period 2009**

- The **second performance report**, listing the following adjustments to the revised appropriations, is to be reviewed by the Fifth Committee, after ACABQ review:
 - changes in rates of exchange and inflation;
 - any unforeseen and extraordinary expenses that may have been incurred;
- an assessment of the resources actually required on the basis of expenditure incurred during the first 21 months of the biennium.
- The adjustments approved by the General Assembly at the sixty-second session to become the

FINAL APPROPRIATIONS FOR THE BIENNIUM



F. Programme Budget Implications of Draft Resolutions

Procedures of Programme Budget Implications

According to Rule 153 of the Rules of Procedure of the General Assembly, the following procedures are in place.

(a) When a **Main Committee** is about to adopt a draft resolution involving expenditures, the Secretary-General submits a statement of programme budget implications (PBI).

(b) After adoption of the draft resolution by the Main Committee, the statement of programme budget implications is submitted to the **Fifth Committee** through the ACABQ which has to inform the General Assembly of the effect of the draft resolution on the UN budget estimates.

(c) After the Fifth Committee takes a decision on the PBI, the **General Assembly** (plenary) will take action on the draft resolution initiated by the Main Committee, taking into account the recommendations of the Fifth Committee.



G. Contingency Fund

(A/RES/41/213 AND A/RES/42/211)

The **contingency fund** is not a fund with resources available for use. The contingency fund is a mechanism that makes it possible for the General Assembly to provide, within a certain limit, the Secretary-General with additional resources to implement additional mandates not provided for in the programme budget for the biennium.

- The General Assembly decides on the **size of the contingency fund** when it approves the budget outline, expressed as a percentage of the overall budget level.
- The contingency fund would accommodate **additional expenditures** relating to the biennium, on the basis of programme budget implications statements and revised estimates, derived from legislative mandates not provided for in the programme budget.
- Revised estimates arising from the impact of **extraordinary expenses**, including those related to the maintenance of peace and security, as well as fluctuations in rates of exchange and inflation, **shall not be covered by the contingency fund**. The Secretary-General should nevertheless make efforts to absorb these expenditures, to the extent possible, through savings from the programme budget, without causing in any way a negative effect on programme delivery and without prejudice to the utilization of the contingency fund.



Size of the Contingency Fund

	Size (\$ Millions)	Percentage of preliminary	Utilization (Thousands) estimates
1992-1993	18.0	0.75%	6,291.9
1994-1995	20.0	0.75%	18,484.7
1996-1997	20.6	0.75%	5,241.8
1998-1999	19.0	0.75%	3,692.2
2000-2001	19.1	0.75%	18,875.7
2002-2003	18.9	0.75%	18,868.8
2004-2005	21.6	0.75%	13,745.2
2006-2007	27.2	0.75%	26,562.7
2008-2009*	31.5	0.75%	19,269.5

* Based on charges approved to date

Peacekeeping budgets

1 July 2008 to 30 June 2009

<i>Peacekeeping operations</i>	<i>Approved resources</i>
	<i>\$(000)</i>
United Nations Mission in the Central African Republic and Chad (MINURCAT)	301,124.2
United Nations Mission for the Referendum in Western Sahara (MINURSO)	45,600.8
United Nations Stabilization Mission in Haiti (MINUSTAH)	574,916.5
United Nations Organization Mission in the Democratic Republic of the Congo (MONUC)	1,187,676.4
African Union-United Nations Hybrid Operation in Darfur (UNAMID)	1,499,710.0
United Nations Disengagement Observer Force (UNDOF)	45,726.0
United Nations Peacekeeping Force in Cyprus (UNFICYP)	54,851.1
United Nations Interim Force in Lebanon (UNIFIL)	650,755.6
United Nations Mission in Ethiopia and Eritrea (UNMEE)	100,367.4
United Nations Interim Administration Mission in Kosovo (UNMIK)	198,012.0
United Nations Mission in Liberia (UNMIL)	603,708.0
United Nations Mission in the Sudan (UNMIS)	820,720.6
United Nations Integrated Mission in Timor-Leste (UNMIT)	172,842.0
United Nations Operation in Côte d'Ivoire (UNOCI)	475,402.6
United Nations Observer Mission in Georgia (UNOMIG)	34,484.2
Subtotal, missions	6,765,897.4
United Nations Logistics Base at Brindisi, Italy (UNLB)	45,769.0
Support account	273,922.8
Subtotal	319,691.8
Voluntary contributions in kind (budgeted)	7,799.8
Total requirements	7,093,389.0



II. Peacekeeping Budgets

CURRENT PROCESS OF ESTABLISHING AND EXTENDING PEACEKEEPING OPERATIONS

New missions:

1. A technical survey mission is sent to area of proposed peace-keeping operation (for approximately one week), findings of which form basis for developing operational plan and related logical and administrative requirements.
2. Secretary-General presents his report to Security Council on need to establish a peace-keeping operation, together with financial implications statement of preliminary estimated costs.
3. Security Council resolution establishes mandate.
4. On the basis of preliminary estimates for start-up costs of a new mission or additional requirements due to expansion of mandate and operation, and requirements for an existing mission, commitment authority of up to \$50 million for one mission is requested for start up costs from ACABQ, provided that the total commitment authority granted by the ACABQ does not exceed a cumulative amount of \$150 million (\$50 million per Security Council decision). For more than \$50 million, commitment authority is requested from General Assembly. (See General Assembly resolution 49/233 A, part IV).



II. Peacekeeping Budgets (Cont.)

Current Process of Establishing and Extending Peacekeeping Operations

5. Start-up team is deployed as soon as feasible after the Security Council establishes mandate.
6. Detailed budget is prepared on basis of findings of survey mission. It is prepared on an annualized basis (1 July of first year to 30 June of the following year) and may cover one mandate period or more.
7. Review of budget by ACABQ and General Assembly.
8. General Assembly approves budget and appropriates amount for the financial period, subject to extension of mission's mandate.
9. Letters of assessment corresponding to mandate period are sent to Member States after General Assembly approves appropriation.
10. Before the end of mandate period, Secretary-General prepares report to Security Council on future of mission.



II. Peacekeeping Budgets (Cont.)

Current Process of Establishing and Extending Peacekeeping Operations

Extension of mandate:

1. Security Council resolution extending a mandate usually occurs just a few days before expiry of existing mandate.
2. Upon Security Council's decision to continue the mission, and on the approved budget, new assessments are levied for extension of mandate.
3. Performance reports are prepared for preceding 12 month-period.
4. Preparation of revised budget, during financial period only if mandate is significantly changed or decision is made to close mission.
5. Review of budget and performance report by ACABQ and the General Assembly; General Assembly approves appropriation.
6. Letters of assessment are sent to Member States.



III. International Tribunals

- Tribunals (ITY and ICTR) established in 1993 and 1994 by the SeCo (resolutions 808 and 995)
- Completion Strategy endorsed by SeCo [resolutions 1503(2003) and 1534(2004)]
- Semi-annual progress reports presented to the SeCo – most recent reports presented in May 2008 – S/2008/322 (for ICTR) and S/2008/326 (for ITY)



III. International Tribunals (Cont.)

- Biennial budget – for 2008-2009, Tribunal for Yugoslavia (\$347.6M) and Tribunal for Rwanda (\$267.4M), amount to approx. \$615.0M
- Budget structure – the Chambers, the Office of the Prosecutor, the Registry
- Budget presentation - RBB logical framework for non-judicial organ
- Annual performance reports
- Half of budget assessed according to scale of assessment applicable to regular budget; half according to scale of assessment applicable to peace-keeping operations



III. International Tribunals (Cont.)

- All pre-indictment investigations completed
- First instance trials for all accused in custody will be completed or commenced before end 2009
- All appeals estimated to be completed by end 2011



KEY FIGURES – ITY

(as at 18 September 2008)

- On going proceedings
47 accused
 - 8 pre-trial
 - 26 on trial
 - 11 on appeal stage
 - 2 at large

- Concluded proceedings
114 accused
 - 9 acquitted
 - 56 sentenced
 - 13 referred pursuant to rule 11 *bis*
 - 36 had their indictments withdrawn or are deceased



KEY FIGURES – ICTR

(as at 18 September 2008)

- On going proceedings
59 accused
 - 10 pre-trial
 - 29 on trial
 - 7 on appeal stage
 - 13 at large

- Concluded proceedings
37 accused
 - 5 acquitted
 - 26 sentenced
 - 2 referred pursuant to rule 11 *bis*
 - 4 had their indictments withdrawn or are deceased



Definitions

Apportionment

While there is no formal definition of the term "apportionment" as the term most often used is "assessment", it should be noted that Article 17(2) of the Charter states that "The expenses of the Organization shall be borne by the Members as apportioned by the General Assembly."

Appropriation

The amount voted by the General Assembly for a financial period against which expenditures may be incurred. For the regular budget, the appropriations are voted by the Assembly broken down by each section of the budget. Unspent appropriations are surrendered back to Member States

Assessment

The amount of money which the General Assembly determines should be assessed to finance the approved appropriation, shared among Member States in accordance with the scale of assessment. Letters of assessment for the regular budget are sent to Member States on 1 January of each year.

Commitment authority

Authority given by the General Assembly to the Secretary-General to incur expenditures without an appropriation. The authority is usually given for emergency situations, pending detailed review of budgetary proposals.



Definitions

Contingency Fund

Level of resources, set at 0.75 per cent of the overall level of the outline which can be added to the budget to accommodate additional expenditures arising from programme budget implications of mandates or revised estimates of activities not foreseen in the proposed programme budget.

Financial period

RB and Tribunals - Two consecutive calendar years, the first of which is an even year.
PKO – 1 July current year to 30 June next year.

Peace-keeping Reserve Fund

The Peace-keeping Reserve Fund was established in 1992, at a level of \$150 million, as a cash flow mechanism to ensure the rapid response of the Organization to the needs of peace-keeping operations.

Programme budget implications statements (PBIs)

Statements detailing the administrative, financial and programmatic changes that the adoption of a draft resolution would entail.



Definitions

Revised estimates

Estimates of additional resources required, submitted by the Secretary-General relating to: (a) items not included in the proposed programme budget owing to the unavailability of information at the time of preparation of the proposed programme budget; (b) items that were included in the proposed programme budget but on which the General Assembly did not act but requested further information; and (c) developments that took place after the preparation of the proposed programme budget.

Working Capital Fund

The Working Capital Fund was established in 1946 to provide advances necessary to finance budgetary appropriations, pending the receipt of contributions, and to finance unforeseen and extraordinary expenses pending appropriation action by the General Assembly. In 1982 the level of the Fund was set at \$100 million, and in July 2006 the GA decided that the level should be increased to \$150 million effective 1 January 2007.