

Proposed programme budget for the biennium 2014-2015



Briefing to the Fifth Committee
by the Controller
on 8 May 2013

Budget Outline level for the biennium 2014-2015

- For **2014-2015**, the Secretary-General **proposed** a Budget Outline of \$5,492.5 million, which included the updated Annex II
- In **2010-2011** and **2012-2013**, the General Assembly **invited** the Secretary-General to prepare a budget at the total proposed Budget Outline level, which included Annex II
- However, for **2014-2015**, the General Assembly **invited** the SG to prepare a budget at a level approximately \$100 million **below** the total proposed budget outline level of \$5,492.5 million

Budget Outline level since the introduction of Annex II (in millions of United States dollars)

	Initial Budget Outline (a)	Updated Annex II (b)	Total proposed Budget Outline (c = a+b)	Budget Outline per GA res. (d)
2010-2011 ^a	4,617.9	253.1	4,871.0	4,871.0
2012-2013	5,456.1	(59.4)	5,396.7	5,396.7
2014-2015	5,341.0	151.5 ^b	5,492.5	5,392.7

^a The General Assembly requested in resolution 63/266 for future budget documents to include an annex on the Impact of items before the General Assembly and foreseeable items yet to be considered

^b The updated Annex II was provided to the Fifth Committee as Addendum 2 to the Supplementary Information on the proposed programme budget outline, dated 18 December 2012.

Implementing the reduction in line with resolution 67/248

- The Assembly requested the Secretary-General in resolution 67/248 to ensure the fair, equitable and non-selective treatment of all budget sections (paragraph 11)
- Some sections or elements thereof have a specific status, in particular when it concerns:
 - A specific regulation or statute which provides for level of autonomy
 - A number of policy-making organs in section 1: the OPGA, ACABQ, CPC, BoA and CoC
 - Activities for which financing is provided mostly by the Agencies, Funds and Programmes
 - Special expenses
 - Newly established entities
 - All areas of work pertaining to programme support, conference management, public information and capital projects for which reductions had already been proposed

Process leading to the proposed programme budget

- The initial submission of Programme Managers was received early January
- Memorandum was issued mid-January with the request to Programme Managers to:
 - Determine how reductions could best be achieved, maintaining a ratio between post and non-post resources
 - Conduct a comprehensive review of staffing requirements to best allocate reductions in post resources
 - Explain the expected impact of the reductions, if any

Overview of resources: changes to the financial resources table

BEFORE

Component	2008-2009 expenditure	2010-2011 appropriation	Resource growth		Total before recosting	Recosting	2012-2013 estimate
			Amount	Percentage			



NEW

2012-2013 resources at revised rates	Resource change						Total before recosting	Recosting	2014-2015 estimate
	Technical adjustment (delayed impact and non-recurrent)	New mandates and inter-component changes	In line with resolution 67/248	Reflected in the budget outline report	Total	Percentage			

- In the previous biennium, the base was set at the 2010-2011 appropriation
- For 2014-2015, the General Assembly invited the Secretary-General to prepare his proposed programme budget at revised 2012-2013 rates
- The base is therefore set at the 2012-2013 resources at revised rates, incorporating the revised appropriation and deferred recosting, also in line with para. 47 of the First Performance Report (A/67/592)
- The new presentation provides an evolution of resource change from 2012-2013 to 2014-2015 (see above) as well as a further break-down by subprogramme

Technical adjustment, new mandates, intercomponent changes

2012-2013 resources at revised rates	Resource change						Total before recosting	Recosting
	Technical Adjustment (Delayed impact and non-recurrent)	New mandates, intercomponent changes	In line with resolution 67/248	Reflected in the budget outline report	Total	Percentage		

- Technical adjustment: delayed impact for posts established in and removal of one-time costs approved for 2012-2013
- New mandates: resource changes as included in the total proposed Budget Outline level
- Intercomponent changes: cost-neutral redeployments within one budget section (between executive direction and management, programme of work and programme support)

Resource changes in line with resolution 67/248 and reflected in Budget Outline report

2012-2013 resources at revised rates	Resource change						Total before recosting	Recosting
	Technical Adjustment (Delayed impact and non-recurrent)	New mandates, intercomponent changes	In line with resolution 67/248	Reflected in the budget outline report	Total	Percentage		

- Resource changes in line with resolution 67/248
 - These changes follow from the invitation by the General Assembly to prepare a budget approximately \$100 million below the total proposed Budget Outline level
 - The fascicles contain an analysis of the impact on the volume of outputs and performance targets
- Resource changes reflected in the Budget Outline report
 - These changes are efforts of the Secretary-General to increase efficiency, while ensuring the effective implementation of mandated activities (para. 12 of A/67/529)

Resource changes in line with resolution 67/248 and reflected in Budget Outline report: format of presentation

2012-2013 resources at revised rates	Resource change						Total before recosting	Recosting
	Technical Adjustment (Delayed impact and non-recurrent)	New mandates, intercomponent changes	In line with resolution 67/248	Reflected in the budget outline report	Total	Percentage		

Net reductions in inputs	Description	Reductions in the volume of outputs	Reductions in performance targets
Reductions in line with resolution 67/248	What is the financial impact of the reduction? How does the reduction affect the qualitative dimension to the delivery of mandates, if at all?	Reference to affected output with comparison vis-à- vis number of outputs in 2012- 2013, if applicable	Reference to affected performance target with comparison vis- à-vis estimate for 2012-2013, if applicable

Net reductions in inputs	Description	Reductions in the volume of outputs	Reductions in performance targets
Reductions reflected in the budget outline report	Which reductions have been achieved? Which sustainable solutions have been found to make more efficient use of resources?	No impact	No impact

Impact of resource changes in line with resolution 67/248

- All objectives, expected accomplishments, indicators of achievement and list of mandates as endorsed by CPC and approved by the General Assembly remain unchanged
- Impact analyses for reductions in line with resolution 67/248 focus on changes to the volume of outputs and performance targets:
 - No outputs or performance measures are discontinued fully
 - The estimated volume of outputs is adjusted by 0.2%
 - 3% of all performance measures reflect a decrease in the level of performance targets

Aligning budgeted with actual vacancy rate

2012-2013 resources at revised rates	Resource change						Total before recosting	Recosting
	Technical Adjustment (Delayed impact and non-recurrent)	New mandates, intercomponent changes	In line with resolution 67/248	Reflected in the budget outline report	Total	Percentage		

- Proposed budget includes a single realized vacancy rate, in lieu of projected vacancy rates for continuing and new posts
- In line with resolutions 66/246 OP 27 and 67/246, part X, OP 6:
 - This would allow better alignment of post requirements with actual expenditure experience
 - Vacancy rates would be updated yearly to match expenditure experience
- Using a single realized vacancy rate would annul the volatility in requirements for the subsequent biennium

Vacancy rate methodology comparison		Biennium 2012-2013		Biennium 2014-2015	
		Proposed Budget (projected rate)	First PR (realized rate)	Proposed Budget (single realized rate) ^a	First PR (updated single realized rate)
Professional	Continuing posts	9.6	8.3	8.3	t.b.d.
	New posts	50.0			
General Service	Continuing posts	4.0	5.6	5.6	t.b.d.
	New posts	35.0			

^a As reflected in the First Performance Report for the biennium 2012-2013.