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Proposed programme budget for the biennium 2018–2019

Contingency fund: consolidated statement of programme budget implications and revised estimates

Forty-fourth report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2018–2019

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the Secretary-General on the contingency fund: consolidated statement of programme budget implications and revised estimates ([A/C.5/72/20](#)). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 16 December 2017.

2. The Advisory Committee recalls that the General Assembly, in paragraph 11 of its resolution [71/274](#), decided that the level of the contingency fund for the biennium 2018–2019 should be set at 0.75 per cent of the overall level of resources of the programme budget outline for the biennium, or \$40,460,000, to be used in accordance with the procedures for the use and operation of the contingency fund. The report of the Secretary-General indicates that, in formulating the proposals on the new and additional requirements, due consideration has been given to the procedures contained in paragraph 9 of annex I to Assembly resolution [41/213](#), and in part C, paragraph 6, of the annex to resolution [42/211](#), which govern the contingency fund ([A/C.5/72/20](#), para. 3). The report further indicates that, pursuant to Assembly resolution [48/228](#) and the removal of the identification of high- and low-priority programme elements from the format of the programme budget, alternative options for the reallocation or reduction of resources between high- and low-priority mandated programme elements, including the deferral, termination and curtailment of mandated activities, require Assembly approval (*ibid.*, para. 5).

3. With regard to the absorption of additional expenses due to new and expanded mandates, the report of the Secretary-General indicates that: (a) in the current 2016–2017 biennium, an amount of \$39,000 was identified for absorption in the context of the revised estimates resulting from resolutions and decisions adopted by the Economic and Social Council at its 2017 session (see [A/72/398](#)); and (b) during the



review of the financial implications of the adoption of various draft resolutions by the Main Committees of the General Assembly, a further amount of \$223,200 was identified for absorption within the approved resources for the biennium 2018–2019 (A/C.5/72/20, para. 4). Upon request for clarification, the Advisory Committee was informed that the additional amounts under the individual draft resolutions ranged between \$27,800 and \$39,100 and were considered to be too minimal to justify the submission of a statement on the programme budget implications of the draft resolutions in question.

4. The report of the Secretary-General indicates that the potential new charges for 2018–2019 amount to \$41,314,300 and exceed the approved level of the contingency fund pursuant to General Assembly resolution 71/274 of \$40,460,000 by \$881,300 (ibid., para. 2). The information provided in the annex to the report further indicates that the Secretary-General's proposals relating to the new and expanded mandates in 2018–2019 amount to \$51,841,900 and that the recommendations of the Advisory Committee available at the time of the finalization of the report reflect a reduction of \$10,611,500. The report further indicates that the potential new charges of \$41,314,300 do not take into account the recommendations of the Committee relating to the 12 items listed in paragraph 6 of the report.

5. From the annex to the report of the Secretary-General, the Advisory Committee notes that a significant proportion of the potential charges against the contingency fund relates to requirements under section 24, Human rights. Upon enquiry, the Committee was provided with table 1 below, which shows the trend of the potential charges against the contingency fund for section 24, Human rights, as well as the actual total charges over the past five years.

Table 1

Trend of the potential charges against the contingency fund for section 24, Human rights

(Thousands of United States dollars)

| <i>Report on the contingency fund</i> | <i>Section 24, Human rights, as requested in the report on the contingency fund</i> | <i>Total as requested in the report on the contingency fund</i> | <i>Human rights share of total (percentage)</i> |
|--|---|---|---|
| A/C.5/68/20 | 6 546.2 | 19 763.4 | 33 |
| A/C.5/69/16 | 8 826.1 | 25 422.1 | 35 |
| A/C.5/70/19 and A/C.5/70/19/Corr.1 | 7 991.8 | 34 094.8 | 23 |
| A/C.5/71/17 | 12 359.9 | 43 307.2 | 29 |
| A/C.5/72/20 | 18 934.2 | 41 341.3 | 46 |

6. While noting that the report of the Secretary-General does not reflect its recommendations on all the statements of programme budget implications submitted by the Secretary-General for 2018–2019, the Advisory Committee observes that the potential additional resource requirements, in the amount of \$41,314,300, relate to decisions taken before adoption by the General Assembly of the programme budget for the biennium 2018–2019, and that the contingency fund approved for 2018–2019 may be fully depleted even before the start of the biennium. Upon request for information on the actions taken in the past when the expenditures related to new and expanded mandates exceeded the level of the contingency fund, the Committee was informed that such a situation had occurred in the bienniums 2006–2007, 2012–2013, 2014–2015 and 2016–2017. In those cases, the Assembly had appropriated the amounts presented in various reports separately, rather than as charges against the contingency fund.

7. Upon enquiry, the Advisory Committee was also provided with information on the utilization of the contingency fund since its inception (see table 2 below).

Table 2

Utilization of the contingency fund since its inception

(Millions of United States dollars)

| <i>Biennium</i> | <i>Approved</i> | <i>Preliminary estimate (percentage)</i> | <i>Utilization estimates</i> | <i>Utilization estimates (percentage)</i> | <i>Additional appropriation that did not represent a charge against the contingency fund^a</i> |
|------------------------|-----------------|--|------------------------------|---|--|
| 1990–1991 | 15.0 | 0.75 | 11.8 | 78.7 | – |
| 1992–1993 | 18.0 | 0.75 | 6.3 | 35.0 | – |
| 1994–1995 | 20.0 | 0.75 | 18.5 | 92.5 | – |
| 1996–1997 | 20.6 | 0.75 | 5.2 | 25.2 | – |
| 1998–1999 | 19.0 | 0.75 | 3.7 | 19.5 | – |
| 2000–2001 | 19.1 | 0.75 | 18.9 | 99.0 | – |
| 2002–2003 | 18.9 | 0.75 | 18.9 | 100.0 | – |
| 2004–2005 | 21.6 | 0.75 | 13.8 | 63.9 | – |
| 2006–2007 | 27.2 | 0.75 | 26.6 | 97.8 | 52.6 |
| 2008–2009 | 31.5 | 0.75 | 26.3 | 83.5 | – |
| 2010–2011 | 36.5 | 0.75 | 14.1 | 38.6 | – |
| 2012–2013 | 40.5 | 0.75 | 37.5 | 92.6 | 8.6 |
| 2014–2015 | 40.4 | 0.75 | 40.2 | 99.5 | 5.1 |
| 2016–2017 | 41.7 | 0.75 | 34.5 | 82.7 | 29.2 |
| 2018–2019 ^b | 40.5 | 0.75 | To be determined | To be determined | To be determined |

^a As contained in the reports that would normally represent a charge against the contingency fund.

^b Utilization to be determined (status as at 15 December 2017).

8. The Advisory Committee trusts that an update to the list of potential charges to the contingency fund, reflecting all remaining recommendations of the Committee, will be presented to the General Assembly at the time of its consideration of the present report.

9. Taking into account its observations in the paragraphs above, the Advisory Committee recommends that the General Assembly consider the potential charges related to new and expanded mandates against the contingency fund, as outlined in the report of the Secretary-General, and offer appropriate guidance to the Secretary-General accordingly.