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Items 139 and 140 of the preliminary list*

Proposed programme budget for 2023

Programme planning

Proposed programme budget for 2023

Part X

Jointly financed administrative activities and special expenses

Section 32

Special expenses

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* [A/77/50](#).

** In keeping with paragraph 11 of resolution [72/266 A](#), the part consisting of the post and non-post resource requirements is submitted through the Advisory Committee on Administrative and Budgetary Questions for the consideration of the General Assembly.



Proposed post and non-post resource requirements for 2023

Overview

- 32.1 Under section 32, Special expenses, resources are provided to cover specific expenditure requirements for: (a) contributions to after-service health insurance; (b) compensatory payments; (c) general insurance charges; (d) bank charges; and (e) pension payments to former Secretaries-General. The proposed regular budget resources for 2023, including the breakdown of resource changes, as applicable, are reflected in table 32.1.

Table 32.1

Overall: evolution of financial resources by object of expenditure

(Thousands of United States dollars)

Object of expenditure	2021 expenditure	2022 appropriation	Changes				2023 estimate (before recosting)	
			Technical adjustments	New/ expanded mandates	Other	Total		Percentage
Other staff costs	77 864.3	80 466.8	–	–	138.5	138.5	0.2	80 605.3
Non-staff compensation	405.9	409.3	–	–	–	–	–	409.3
Consultants	190.5	184.7	–	–	–	–	–	184.7
Contractual services	2.6	27.2	–	–	(19.7)	(19.7)	(72.4)	7.5
General operating expenses	3 643.4	3 723.0	–	–	(118.4)	(118.4)	(3.2)	3 604.6
Grants and contributions	–	0.4	–	–	(0.4)	(0.4)	(100.0)	–
Total	82 106.7	84 811.4	–	–	–	–	–	84 811.4

- 32.2 Additional details on the distribution of the proposed resources for 2023 are reflected in tables 32.2 and 32.3 and figure 32.I.

- 32.3 As reflected in table 32.2 (1), the overall resources proposed for 2023 amount to \$84,811,400 before recosting, reflecting no increase compared with the appropriation for 2022.

Table 32.2

Overall: evolution of financial resources by component

(Thousands of United States dollars)

(1) Regular budget

Component	2021 expenditure	2022 appropriation	Changes				2023 estimate (before recosting)	
			Technical adjustments	New/expanded mandates	Other	Total		Percentage
A. Contributions to after-service health insurance	76 414.0	79 104.5	–	–	–	–	–	79 104.5
B. Compensatory payments	1 645.8	1 547.4	–	–	138.1	138.1	8.9	1 685.5
C. General insurance	3 383.9	3 601.6	–	–	(217.5)	(217.5)	(6.0)	3 384.1
D. Bank charges	257.2	148.6	–	–	79.4	79.4	53.4	228.0
E. Pension payments to former Secretaries-General	405.9	409.3	–	–	–	–	–	409.3
Subtotal, 1	82 106.7	84 811.4	–	–	–	–	–	84 811.4

Section 32 Special expenses

(2) *Other assessed*

<i>Component</i>	<i>2021 expenditure</i>	<i>2022 estimate</i>	<i>Change</i>	<i>Percentage</i>	<i>2023 estimate</i>
A. Contributions to after-service health insurance	11 778.3	11 090.0	740.0	6.7	11 830.0
Subtotal, 2	11 778.3	11 090.0	740.0	6.7	11 830.0

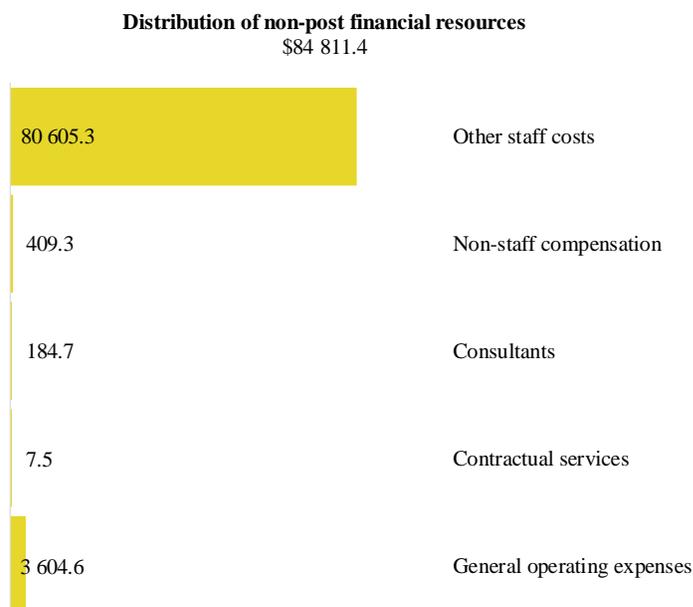
(3) *Extrabudgetary*

<i>Component</i>	<i>2021 expenditure</i>	<i>2022 estimate</i>	<i>Change</i>	<i>Percentage</i>	<i>2023 estimate</i>
A. Contributions to after-service health insurance	6 203.7	6 448.2	64.3	1.0	6 512.5
Subtotal, 3	6 203.7	6 448.2	64.3	1.0	6 512.5
Total	100 088.7	102 349.6	804.3	0.8	103 153.9

Table 32.3
Evolution of financial resources by main category of expenditure
 (Thousands of United States dollars)

	<i>2021 expenditure</i>	<i>2022 appropriation</i>	<i>Changes</i>				<i>2023 estimate (before recosting)</i>
			<i>Technical adjustments</i>	<i>New/expanded mandates</i>	<i>Other</i>	<i>Total</i>	
Non-post	82 106.7	84 811.4	–	–	–	–	84 811.4
Total	82 106.7	84 811.4	–	–	–	–	84 811.4

Figure 32.I
Distribution of proposed resources for 2023 (before recosting)
 (Thousands of United States dollars)



Explanation of variances by component

Overall resource changes

Other changes

- 32.4 As reflected in table 32.2 (1), the cost-neutral changes between components are explained as follows:
- (a) **Compensatory payments.** The increase of \$138,100 falls under Headquarters and reflects actual expenditure experience;
 - (b) **General insurance.** The decrease of \$217,500 under general operating expenses reflects actual expenditure experience;
 - (c) **Bank charges.** The increase of \$79,400 under general operating expenses reflects expenditure experience.

Other assessed and extrabudgetary resources

- 32.5 As reflected in table 32.2 (2), the estimated other assessed resources for contributions to after-service health insurance for 2023 amount to \$11,830,000, reflecting an increase of \$740,000 compared with the estimate for 2022. The expected increase reflects payment trends and medical inflation adjustments, as reflected in the report of the Secretary-General on the budget for the support account for peacekeeping operations for the period from 1 July 2022 to 30 June 2023 ([A/76/725](#)).
- 32.6 As reflected in table 32.2 (3), the estimated extrabudgetary resources for contributions to after-service health insurance amount to \$6,512,500, reflecting an increase of \$64,300 compared with the estimate for 2022.

A. Contributions to after-service health insurance

- 32.7 The after-service health insurance programme extends health-care benefits under the United Nations insurance schemes to eligible retirees and their eligible dependants. Coverage is provided on a shared-contribution basis in accordance with a decision taken by the General Assembly at its twenty-first session. Coverage is also provided to staff members whose appointments are terminated as a result of disability. In all cases, coverage is available only to those who are eligible to receive a periodic benefit from the United Nations Joint Staff Pension Fund or under the rules governing compensation for service-incurred death, injury or illness. In accordance with Assembly resolution [38/235](#), the maximum cost-sharing ratio is 2 to 1 between the Organization and the participant.
- 32.8 By its resolution [40/258 A](#), the General Assembly decided to extend after-service health insurance coverage to former locally recruited staff who had participated in the medical expense assistance plan under appendix E to the Staff Rules of the United Nations.
- 32.9 By its resolution [61/264](#), the General Assembly approved changes to the after-service health insurance provisions for new staff members recruited on or after 1 July 2007. Under the terms of that resolution, following retirement, staff members are eligible for cost-sharing of after-service coverage if they have participated in a United Nations-system contributory health insurance plan for a minimum of 10 years at the time of retirement. Staff members recruited before 1 July 2007 who have participated in a United Nations contributory plan for at least five years are also eligible, provided that they pay the full premium for the period for which their participation falls short of the 10-year requirement for cost-shared participation.
- 32.10 The General Assembly, in its resolution [64/241](#), requested the Secretary-General to submit to it at its sixty-seventh session a report on managing after-service health insurance liabilities, bearing in mind that the pay-as-you-go principle was one of the viable options. The Assembly also requested the Secretary-General to continue to validate the accrued liabilities with the figures audited by the

Board of Auditors and to include that information and the outcome of the validation in the requested report. The report of the Secretary-General on managing after-service health insurance liabilities (A/68/353) was submitted to the Assembly at its sixty-eighth session. The Assembly, in its resolution 68/244, endorsed the recommendation of the Advisory Committee on Administrative and Budgetary Questions on the continuation of the pay-as-you-go approach to the funding of the after-service health insurance liabilities. It also requested the Secretary-General to examine the option of broadening the mandate of the United Nations Joint Staff Pension Fund, to include the cost-effective, efficient and sustainable administration of after-service health insurance benefits, taking into account the advantages and disadvantages of that option, including its financial and legal implications, and to report thereon at the seventieth session of the Assembly, as well as to undertake a survey of current health-care plans for active and retired staff within the United Nations system, to explore options to increase efficiency and contain costs and to report thereon at its seventieth session. In his report on managing after-service health insurance (A/73/662), largely informed by the work of the inter-agency Working Group on After-Service Health Insurance, the Secretary-General continued to apprise the Assembly of the work undertaken in response to its request. In its resolution on managing after-service health insurance (resolution 73/279 B), the Assembly endorsed the recommendations contained in the report of the Advisory Committee (A/73/792), including that the Secretary-General further explore options for the improvement of efficiency and the containment of costs, including liabilities associated with current and future staff, with a view to reducing the Organization's expenditure on health insurance plans and its after-service health insurance obligations.

- 32.11 The report of the Secretary-General on managing after-service health insurance liabilities (A/76/373) was submitted to the General Assembly at its seventy-sixth session. In the report, the Secretary-General responded to the Assembly's request and set out a comprehensive proposal on after-service health insurance funding. Furthermore, in response to the request made by the Assembly in its resolution 73/279 B to incorporate into the proposal a mechanism that would associate the after-service health insurance premiums paid and the staff member's period of service, the Secretary-General shall implement, effective 1 January 2023, a provision already included in the health insurance programme, which is to base retiree contributions on a minimum of 25 years of service in the United Nations system.
- 32.12 The proposed regular budget resources for 2023 amount to \$79,104,500 and reflect no change compared with the appropriation for 2022. Additional details on the distribution of proposed resources for 2023 are reflected in table 32.4 and figure 32.II.

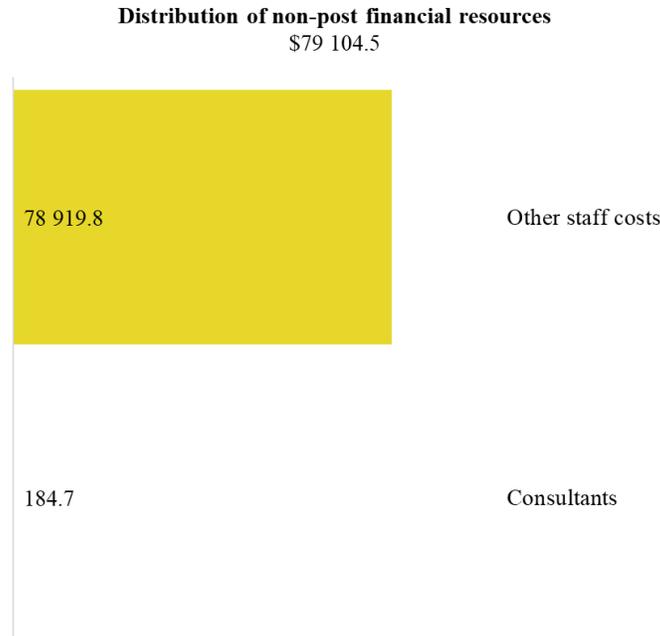
Table 32.4

Contributions to after-service health insurance: evolution of financial resources

(Thousands of United States dollars)

	2021 expenditure	2022 appropriation	Changes					2023 estimate (before recosting)
			Technical adjustments	New/expanded mandates	Other	Total	Percentage	
Non-post	76 414.0	79 104.5	–	–	–	–	–	79 104.5
Total	76 414.0	79 104.5	–	–	–	–	–	79 104.5

Figure 32.II
Contributions to after-service health insurance: distribution of proposed resources for 2023 (before recosting)
 (Thousands of United States dollars)



B. Compensatory payments

- 32.13 The requirements under compensatory payments provide for compensation to members of commissions, committees or similar United Nations bodies in the event of death, injury or illness attributable to service with the United Nations. The responsibilities of the United Nations in this area, as well as the rules governing compensatory payments, are detailed in Secretary-General’s bulletin [ST/SGB/103/Rev.1](#).
- 32.14 Compensation is also provided to staff members or their dependants in the event of death, injury or illness attributable to the performance by the staff member of official duties on behalf of the United Nations. The compensation is governed by the specific rules under appendix D to the Staff Regulations and Rules of the United Nations ([ST/SGB/2018/1](#)).
- 32.15 The costs incurred on both those accounts may include monthly survivor benefits for life, monthly disability benefits for life, lump-sum indemnities for permanent disabilities, funeral expenses, sick leave credit and medical expenses.
- 32.16 The proposed regular budget resources for 2023 amount to \$1,685,500, reflecting an increase of \$138,100 compared with the appropriation for 2022. The proposed increase is explained in paragraph 32.4 (a). Additional details on the distribution of proposed resources for 2023 are reflected in table 32.5 and figure 32.III.

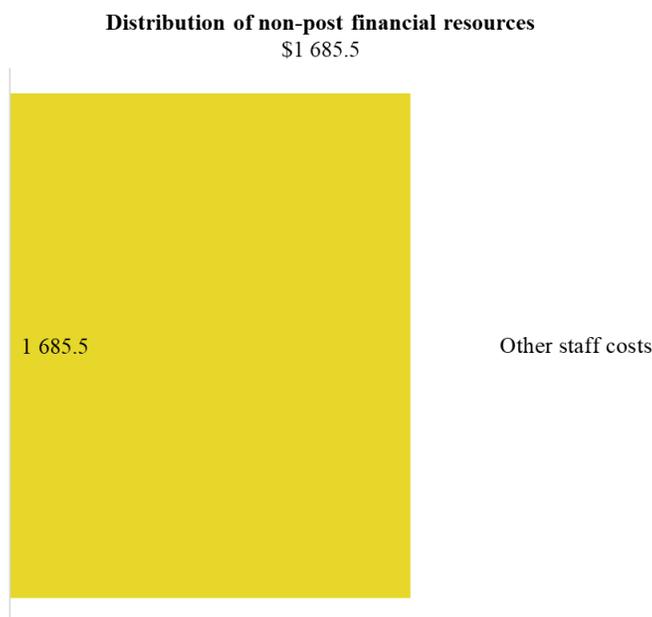
Table 32.5
Compensatory payments: evolution of financial resources

(Thousands of United States dollars)

	2021 expenditure	2022 appropriation	Changes				Total	Percentage	2023 estimate (before recosting)
			Technical adjustments	New/expanded mandates	Other				
Non-post	1 645.8	1 547.4	–	–	138.1	138.1	8.9	1 685.5	
Total	1 645.8	1 547.4	–	–	138.1	138.1	8.9	1 685.5	

Figure 32.III
Compensatory payments: distribution of proposed resources for 2023 (before recosting)

(Thousands of United States dollars)



C. General insurance

32.17 The provisions under general insurance relate mainly to insurance on the buildings and property at Headquarters, as well as in Addis Ababa (the Economic Commission for Africa), Santiago (the Economic Commission for Latin America and the Caribbean) and Beirut (the Economic and Social Commission for Western Asia). The United Nations Offices at Geneva, Vienna and Nairobi, as well as the Economic and Social Commission for Asia and the Pacific in Bangkok, separately maintain property and liability coverage for their offices locally. General insurance also covers automobile liability insurance at Headquarters, liability insurance for aircraft used for travel by the Secretary-General but not owned by the United Nations, and insurance for other air travel of staff. In addition, in accordance with General Assembly resolution 41/210, the United Nations has established a self-insurance plan for general liability risk in respect of acts occurring in the Headquarters district in New York. The provisions also cover a stand-alone insurance policy for acts of terrorism, which, following the events of 11 September 2001, was established effective 2003 as a result of limitations in the scope of insurance coverage for risks, such as acts of terrorism that would normally have been covered under the general policies.

- 32.18 The outreach initiatives continued to encourage additional markets to bid for coverage of risks to the United Nations. Some limitations in the scope of insurance coverage, however, continue to be prevalent. Two such examples are the flood coverage restrictions introduced in the wake of storm Sandy in New York and the continued requirement for specific insurance for acts of terrorism that were covered under the general policies before the events of 11 September 2001. Actual premiums will also be driven by the United Nations claims experience of 2021 and 2022, and by the general state of insurance markets at the time of the renewal of the policy. It should be noted that the Economic and Social Commission for Western Asia sustained significant damages (currently estimated at \$6 million) to its building and the contents thereof as a result of the explosion in Beirut on 4 August 2020. That loss, in addition to other property losses, may have an impact on the 2023 property insurance premium. In addition to loss history, insurance premiums are also affected by market conditions and capacity, that is, the number of underwriters in the marketplace willing to insure the risk at the time of renewal. The insurance marketplace is constantly evolving on the basis of global economic conditions and natural and human-made disasters or regulatory requirements, and insurers' perception of specific risks related to the United Nations.
- 32.19 The proposed regular budget resources for 2023 amount to \$3,384,100 and reflect a decrease of \$217,500 compared with the appropriation for 2022. The proposed decrease is explained in paragraph 32.4 (b). Additional details on the distribution of proposed resources for 2023 are reflected in table 32.6 and figure 32.IV.

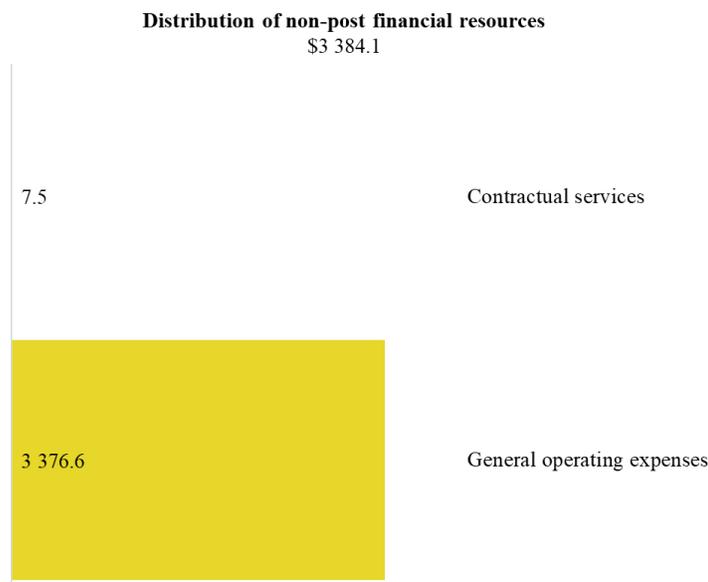
Table 32.6
General insurance: evolution of financial resources

(Thousands of United States dollars)

	2021 expenditure	2022 appropriation	Changes				Total	Percentage	2023 estimate (before recosting)
			Technical adjustments	New/expanded mandates	Other				
Non-post	3 383.9	3 601.6	–	–	(217.5)	(217.5)	(6.0)	3 384.1	
Total	3 383.9	3 601.6	–	–	(217.5)	(217.5)	(6.0)	3 384.1	

Figure 32.IV
General insurance: distribution of proposed resources for 2023 (before recosting)

(Thousands of United States dollars)



D. Bank charges

32.20 The bank charges include fees for account maintenance, electronic fund transfers and other banking services used by the United Nations.

32.21 The proposed regular budget resources under general operating expenses for 2023 amount to \$228,000 and reflect an increase of \$79,400 compared with the appropriation for 2022, as reflected in table 32.7. The proposed increase is explained in paragraph 32.4 (c).

Table 32.7

Bank charges: evolution of financial resources

(Thousands of United States dollars)

	2021 expenditure	2022 appropriation	Changes				Total	Percentage	2023 estimate (before recosting)
			Technical adjustments	New/expanded mandates	Other				
Non-post	257.2	148.6	–	–	79.4	79.4	53.4	228.0	
Total	257.2	148.6	–	–	79.4	79.4	53.4	228.0	

E. Pension payments to former Secretaries-General

32.22 This component covers the retirement allowances for a former Secretary-General and for the widows of two former Secretaries-General at the half rate on the basis of the maximum retirement benefit payable as from 1 February 2022.

32.23 The proposed regular budget resources for 2023 amount to \$409,300 and reflect no change in the resource level compared with the appropriation for 2022, as reflected in table 32.8.

Table 32.8

Pension payments to former Secretaries-General: evolution of financial resources

(Thousands of United States dollars)

	2021 expenditure	2022 appropriation	Changes				Total	Percentage	2023 estimate (before recosting)
			Technical adjustments	New/expanded mandates	Other				
Non-post									
Non-staff compensation	405.9	409.3	–	–	–	–	–	409.3	
Total	405.9	409.3	–	–	–	–	–	409.3	

Annex I

Summary of follow-up action taken to implement relevant recommendations of advisory and oversight bodies

Brief description of the recommendation

Action taken to implement the recommendation

Advisory Committee on Administrative and Budgetary Questions

[A/76/7](#) and [A/76/7/Corr.1](#)

General insurance

The Advisory Committee notes the premium savings achieved in 2020 and trusts that an update on the impact of premiums, as well as the mandatory communicable disease exclusion and efforts to secure the most beneficial insurance policies, will be provided in the next regular budget submission (para. X.48).

The Department of Management Strategy, Policy and Compliance continues to seek the most beneficial insurance policies at the best value for the money for the Organization while also seeking cost efficiencies amid ongoing volatility in the global insurance markets. In the light of ongoing concerns regarding the coronavirus disease (COVID-19) pandemic, communicable disease coverage remains an exclusion in the insurance industry.

Annex II

Monthly expenditure for contributions to after-service health insurance by funding source, 2017–2021 and January–March 2022^a

(United States dollars)

<i>Month</i>	<i>Regular budget</i>	<i>Support account</i>	<i>Extrabudgetary resources</i>	<i>Total</i>
January 2017	7 520 656	1 511	–	7 522 167
February 2017	6 126 538	2 481	–	6 129 019
March 2017	6 693 972	1 996	–	6 695 968
April 2017	5 169 581	3 536	–	5 173 117
May 2017	7 177 512	1 511	–	7 179 023
June 2017	1 367 207	4 945 248	2 636 659	8 949 114
July 2017	3 530 173	3 975	–	3 534 148
August 2017	5 927 831	1 511	–	5 929 342
September 2017	5 528 851	1 519	–	5 530 370
October 2017	6 964 500	3 595	–	6 968 095
November 2017	9 607 582	1 519	–	9 609 101
December 2017	9 269 082	6 504 767	3 468 399	19 242 248
Total, 2017	74 883 485	11 473 169	6 105 058	92 461 712
January 2018	8 924 603	1 519	–	8 926 122
February 2018	7 908 157	(28 772)	–	7 879 385
March 2018	7 315 990	–	–	7 315 990
April 2018	6 452 260	–	–	6 452 260
May 2018	7 249 373	–	–	7 249 373
June 2018	285 520	3 722 428	2 877 687	6 885 635
July 2018	6 116 012	–	–	6 116 012
August 2018	8 441 786	–	–	8 441 786
September 2018	6 199 433	1 588	–	6 201 021
October 2018	1 942 002	3 546 813	1 891 633	7 380 448
November 2018	7 556 118	–	–	7 556 118
December 2018	4 389 519	1 680 143	959 074	7 028 736
Total, 2018	72 780 773	8 923 719	5 728 394	87 432 886
January 2019	7 026 845	–	–	7 026 845
February 2019	7 541 289	–	–	7 541 289
March 2019	8 184 999	–	–	8 184 999
April 2019	7 251 908	–	–	7 251 908
May 2019	6 451 516	–	–	6 451 516
June 2019	4 283 588	2 809 748	–	7 093 336
July 2019	1 202 922	–	–	1 202 922
August 2019	4 956 698	2 462 300	–	7 418 998
September 2019	1 443 646	1 846 581	2 836 901	6 127 128
October 2019	4 783 350	851 777	1 439 124	7 074 251

<i>Month</i>	<i>Regular budget</i>	<i>Support account</i>	<i>Extrabudgetary resources</i>	<i>Total</i>
November 2019	16 447 384	–	–	16 447 384
December 2019	(3 511 401)	1 645 138	877 407	(988 856)
Total, 2019	66 062 744	9 615 544	5 153 432	80 831 720
January 2020	7 498 676	–	–	7 498 676
February 2020	7 044 854	–	–	7 044 854
March 2020	7 217 062	–	–	7 217 062
April 2020	2 464 176	2 665 180	1 421 429	6 550 785
May 2020	5 931 579	1 945 943	1 037 836	8 915 358
June 2020	7 129 989	1 034 849	551 919	8 716 757
July 2020	6 198 848	1 007 753	537 468	7 744 070
August 2020	6 310 941	989 777	527 881	7 828 598
September 2020	5 974 591	963 539	513 887	7 452 018
October 2020	6 126 249	996 460	531 445	7 654 154
November 2020	6 531 423	976 026	520 547	8 027 996
December 2020	6 378 101	983 085	524 312	7 885 498
Total, 2020	74 806 489	11 562 612	6 166 726	92 535 826
January 2021	6 149 046	942 311	501 133	7 592 491
February 2021	7 772 987	4 223	–	7 777 210
March 2021	4 492 454	1 904 924	1 007 072	7 404 450
April 2021	8 234 888	16 025	–	8 250 913
May 2021	6 488 254	972 695	508 732	7 969 681
June 2021	4 626 334	2 021 515	1 059 408	7 707 257
July 2021	6 362 594	966 956	514 987	7 844 537
August 2021	6 177 574	946 557	504 474	7 628 604
September 2021	6 344 997	971 707	515 529	7 832 232
October 2021	6 566 579	962 453	506 751	8 035 782
November 2021	7 536 659	10 542	–	7 547 201
December 2021	5 112 240	2 008 209	1 085 641	8 206 091
Total, 2021	75 864 607	11 728 117	6 203 726	93 796 450
January 2022	6 387 035	979 708	522 337	7 889 080
February 2022	6 070 781	928 971	494 075	7 493 827
March 2022	1 074 005	1 723	–	1 075 728
Total, 2022	13 531 821	1 910 401	1 016 412	16 458 634

^a Monthly expenditure for after-service health insurance is charged on a pay-as-you-go basis to the regular budget and adjusted periodically on the basis of the actual expenditure for the corresponding months, with approximately 15 per cent apportioned to peacekeeping operations and 8 per cent to extrabudgetary resources.