United Nations A/78/6 (Sect. 32)



Distr.: General 26 April 2023

Original: English

Seventy-eighth session

Item 139 of the preliminary list*

Proposed programme budget for 2024

Proposed programme budget for 2024

Part X

Jointly financed administrative activities and special expenses

Section 32 Special expenses

Contents

			1 uge
	Pro	posed post and non-post resource requirements for 2024**	2
	Ove	erview	2
	A.	Contributions to after-service health insurance	4
	B.	Compensatory payments	6
	C.	General insurance	7
	D.	Bank charges	8
	E.	Pension payments to former Secretaries-General	9
Annexe	es		
I.		nmary of follow-up action taken to implement relevant recommendations of the advisory oversight bodies	10
II.		nthly expenditure for contributions to after-service health insurance by funding source, 8–2022 and January–March 2023	11
III	. Pro	perty insurance claims paid, 2019–2023	13

^{**} In keeping with paragraph 10 of General Assembly resolution 77/267, the part consisting of the post and non-post resource requirements (part III) is submitted through the Advisory Committee on Administrative and Budgetary Questions for the consideration of the Assembly.





^{*} A/78/50

Proposed post and non-post resource requirements for 2024

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 2024, 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)

				1	Changes			2024
Object of expenditure	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
Other staff costs	78 582.9	83 138.3	_	_	(1 028.4)	(1 028.4)	(1.2)	82 109.9
Non-staff compensation	419.5	430.3	_	_	_	_	_	430.3
Consultants	91.2	200.4	_	_	_	_	_	200.4
Contractual services	5.7	8.1	_	_	_	_	_	8.1
General operating expenses	3 550.5	3 910.9	_	_	_	_	_	3 910.9
Total	82 649.8	87 688.0	_	_	(1 028.4)	(1 028.4)	(1.2)	86 659.6

- 32.2 Additional details on the distribution of the proposed resources for 2024 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 2024 amount to \$86,659,600 before recosting, reflecting a decrease of \$1,028,400 (or 1.2 per cent) compared with the appropriation for 2023. Resource changes result from other changes.

Table 32.2 **Overall: evolution of financial resources by source of funding and component** (Thousands of United States dollars)

(1) Regular budget

		2023 appropriation	Changes					2024
Component	2022 expenditure		Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
A. Contributions to after- service health insurance	76 484.8	81 512.2	_	_	(1 000.0)	(1 000.0)	(1.2)	80 512.2
B. Compensatory payments	2 195.5	1 826.5	_	_	(28.4)	(28.4)	(1.6)	1 798.1
C. General insurance	3 352.8	3 670.1	_	_	_	_	_	3 670.1
D. Bank charges	197.2	248.9	_	_	_	_	_	248.9
E. Pension payments to former Secretaries-General	419.5	430.3	-	-	-	_	-	430.3
Subtotal, 1	82 649.8	87 688.0	_	_	(1 028.4)	(1 028.4)	(1.2)	86 659.6

23-07880 2/13

Section 32 Special expenses

(2) Other assessed

Component	2022 expenditure	2023 estimate	Change	Percentage	2024 estimate
A. Contributions to after- service health insurance	11 646.1	11 830.0	1 025.2	8.7	12 855.2
Subtotal, 2	11 646.1	11 830.0	1 025.2	8.7	12 855.2

(3) Extrabudgetary

Component	2022 expenditure	2023 estimate	Change	Percentage	2024 estimate
A. Contributions to after- service health insurance	6 163.2	6 425.0	240.9	3.7	6 665.9
Subtotal, 3	6 163.2	6 425.0	240.9	3.7	6 665.9
Total	100 459.1	105 943.0	237.7	0.2	106 180.7

Table 32.3 **Overall: evolution of financial resources**

(Thousands of United States dollars)

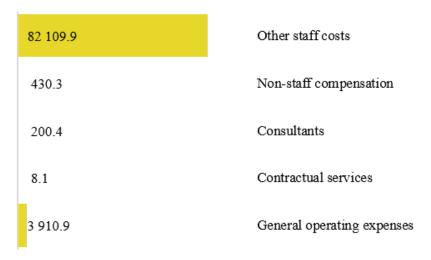
					Changes			2024
	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
Non-post	82 649.8	87 688.0	-	-	(1 028.4)	(1 028.4)	(1.2)	86 659.6
Total	82 649.8	87 688.0	_	_	(1 028.4)	(1 028.4)	(1.2)	86 659.6

Figure 32.I

Distribution of proposed resources for 2024 (before recosting)

(Thousands of United States dollars)

Distribution of non-post financial resources \$86 659.6



23-07880 **3/13**

Explanation of variances by factor and component

Overall resource changes

Other changes

- 32.4 As reflected in table 32.2 (1), the net effect of the proposed changes is a decrease of \$1,028,400. The breakdown of changes is as follows:
 - (a) Contributions to after-service health insurance. The net decrease of \$1,000,000 relates to: (i) reduced requirements at Headquarters that are expected to be achieved through continuous implementation of the mandatory enrolments in Medicare part B by eligible plan participants. This will be carried out as a means of streamlining operations and reducing costs, without compromising the quality of service provided to plan participants. The goal is to contain costs in the delivery of health-care services under the after-service health insurance programme, while ensuring that eligible participants continue to receive the medical care they need (\$1,096,800); (ii) reduced requirements at Geneva, which reflect actual expenditure experience (\$42,800); and (iii) increased requirements at Vienna resulting from the projected increase in the number of participants in 2024 (\$139,600);
 - (b) Compensatory payments. The decrease of \$28,400 falls under Geneva and reflects actual 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 2024 amount to \$12,855,200, reflecting an increase of \$1,025,200 compared with the estimate for 2023. 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 2023 to 30 June 2024 (A/77/771).
- 32.6 As reflected in table 32.2 (3), the estimated extrabudgetary resources for contributions to afterservice health insurance are estimated at \$6,665,900, reflecting an increase of \$240,900 compared with the estimate for 2023.

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,

4/13 23-07880

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.

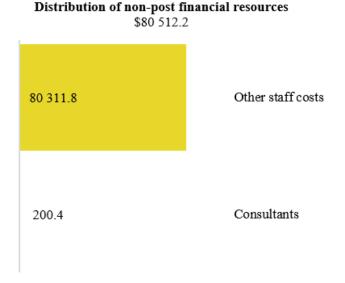
- 32.10 The General Assembly, in its resolution 64/241, requested the Secretary-General to submit to it at its sixty-seventh session a report on managing after-service health insurance liabilities, bearing in mind that the pay-as-you-go principle was one of the viable options. The Assembly also requested 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 interagency 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.
- 32.12 The proposed regular budget resources for 2024 amount to \$80,512,200, reflecting a decrease of \$1,000,000 compared with the appropriation for 2023. The proposed decrease is explained in paragraph 32.4 (a). Additional details on the distribution of the proposed resources for 2024 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)

			Changes					
	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
Non-post	76 484.8	81 512.2	-	_	(1 000.0)	(1 000.0)	(1.2)	80 512.2
Total	76 484.8	81 512.2	-	_	(1 000.0)	(1 000.0)	(1.2)	80 512.2

23-07880 5/13

Figure 32.II Contributions to after-service health insurance: distribution of proposed resources for 2024 (before recosting) (Thousands of United States dollars)



В. **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/2023/1).
- The costs incurred on both those accounts may include monthly survivor benefits for life, monthly 32.15 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 2024 amount to \$1,798,100, reflecting a decrease of \$28,400 compared with the appropriation for 2023. The proposed decrease is explained in paragraph 32.4 (b). Additional details on the distribution of the proposed resources for 2024 are reflected in table 32.5 and figure 32.III.

Table 32.5 Compensatory payments: evolution of financial resources (Thousands of United States dollars)

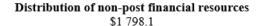
			Changes					
	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	2024 estimate (before recosting)
Non-post	2 195.5	1 826.5	-	_	(28.4)	(28.4)	(1.6)	1 798.1
Total	2 195.5	1 826.5	_	_	(28.4)	(28.4)	(1.6)	1 798.1

6/13 23-07880

Figure 32.III

Compensatory payments: distribution of proposed resources for 2024 (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 be driven by the United Nations claims experience for previous years, and by the general state of insurance markets at the time of the renewal of the policy. It should be noted that the damages sustained by the Economic and Social Commission for Western Asia (currently estimated at \$6 million) to its building and the contents thereof as a result of the explosion in Beirut on 4 August 2020 and other property losses continue to have an impact on the property insurance renewal 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, inflation and reinsurance costs. The insurance marketplace is constantly evolving on the basis of global economic conditions, natural and human-made disasters, regulatory requirements and insurers' perception of specific risks related to the United Nations.
- 32.19 The proposed regular budget resources for 2024 amount to \$3,670,100 and reflect no change in the resource level compared with the appropriation for 2023, as reflected in table 32.6 and figure 32.IV.

23-07880 **7/13**

Table 32.6

General insurance: evolution of financial resources

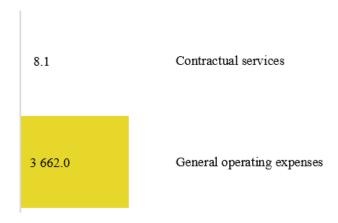
(Thousands of United States dollars)

				Ch	anges			2024
	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
Non-post	3 352.8	3 670.1	_	_	-	-	-	3 670.1
Total	3 352.8	3 670.1	_	-	_	-	_	3 670.1

Figure 32.IV General insurance: distribution of proposed resources for 2024 (before recosting)

(Thousands of United States dollars)

Distribution of non-post financial resources \$3 670.1



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 2024 amount to \$248,900 and reflect no change in the resource level compared with the appropriation for 2023, as reflected in table 32.7.

Table 32.7 Bank charges: evolution of financial resources (Thousands of United States dollars)

			Changes					
	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
Non-post	197.2	248.9	-	-	-	-	-	248.9
Total	197.2	248.9	_	_	-	-	-	248.9

8/13 23-07880

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 2023.
- The proposed regular budget resources for 2024 amount to \$430,300 and reflect no change in the resource level compared with the appropriation for 2023, as reflected in table 32.8.

Table 32.8

Pension payments to former Secretaries-General: evolution of financial resources (Thousands of United States dollars)

			Changes					2024
	2022 expenditure	2023 appropriation	Technical adjustments	New/expanded mandates	Other	Total	Percentage	estimate (before recosting)
Non-post								
Non-staff compensation	419.5	430.3	_	_	_	_	-	430.3
Total	419.5	430.3	-	_	_	_	_	430.3

23-07880 **9/13**

Annex I

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

Brief description of the recommendation

Action taken to implement the recommendation

Advisory Committee on Administrative and Budgetary Questions

A/77/7

After-service health insurance

The Advisory Committee trusts that more information on the reasons for the deferral of and the impact of the implementation of General Assembly resolution 61/264 will be provided to the General Assembly during the consideration of the present report and in the next budget submission (para. X.52).

The implementation of General Assembly resolution 61/264 has been postponed to 2024 owing to technical complexities.

The Advisory Committee trusts that more detailed information on cost containment initiatives and cost savings will be included in future budget submissions (para. X.53).

The Secretariat will continue to execute the established initiatives, including increasing awareness through different communication channels to ensure that all plan participants continue to receive adequate insurance coverage while simultaneously containing costs.

The Advisory Committee trusts that the next budget submission will include detailed information on the exercise and its results (para. X.54).

The implementation of the apportionment ratios will require more time, and the Secretariat will report on implementation in the context of the proposed programme budget for 2025.

10/13 23-07880

Annex II

Monthly expenditure for contributions to after-service health insurance by funding source, 2018–2022 and January–March 2023^a

(United States dollars)

Month	Regular budget	Support account	Extrabudgetary resources	Total	Number of participants as at 31 December
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	10 656
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	
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	10 730
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	

23-07880 **11/13**

Month	Regular budget	Support account	Extrabudgetary resources	Total	Number of participants as at 31 December
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	10 735
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	11 010
January 2022	6 843 746	979 383	522 337	8 345 466	
February 2022	5 847 898	926 390	494 075	7 268 363	
March 2022	6 080 929	979 568	522 436	7 582 933	
April 2022	7 074 064	962 958	513 577	8 550 599	
May 2022	8 454 773	_	_	8 454 773	
June 2022	4 683 053	1 933 981	1 027 360	7 644 394	
July 2022	6 026 659	963 063	513 633	7 503 355	
August 2022	6 177 176	999 190	521 712	7 698 078	
September 2022	6 235 365	950 930	507 162	7 693 457	
October 2022	5 051 827	964 209	_	6 016 036	
November 2022	7 145 580	967 563	514 080	8 627 223	
December 2022	6 766 687	957 731	1 026 824	8 751 242	
Total, 2022	76 387 757	11 584 966	6 163 196	94 135 919	11 229
January 2023	7 084 809	989 614	527 794	8 602 217	
February 2023	7 460 755	_	_	7 460 755	
March 2023	6 846 265	1 892 148	1 009 146	9 747 559	
Total, 2023	21 391 829	2 881 762	1 536 940	25 810 531	

^a Monthly expenditure for after-service health insurance is charged on a pay-as-you-go basis to the regular budget and adjusted periodically at Headquarters 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.

12/13 23-07880

Annex III

Property insurance claims paid, 2019–2023

(United States dollars)

Year	Entity	Total claim paid
2019	MONUSCO	891 616
2020	ESCWA – Beirut	$Ongoing^a$
2020	United Nations Headquarters – Office of Information and Communications Technology	545 781
2020	MONUSCO	421 274
2021	UNICEF - South Sudan	73 544
2022	UNICEF - Central African Republic	206 095
2022	MONUSCO	Ongoing

Abbreviations: ESCWA, Economic and Social Commission for Western Asia; MONUSCO, United Nations Organization Stabilization Mission in the Democratic Republic of the Congo; UNICEF, United Nations Children's Fund.

23-07880 **13/13**

^a Received advance of \$3,176,000.