



Secretariat

ST/SGB/222
22 December 1986

SECRETARY-GENERAL'S BULLETIN

To: Members of the staff

Subject: THE FINANCIAL SITUATION OF THE ORGANIZATION

1. It is with great regret that I am obliged to write to you again on the extremely serious financial crisis that continues to beset the United Nations. I advised the General Assembly at its just-concluded session (A/41/901) that it is expected that the Organization will face a funding shortfall of some \$85 million in 1987 and that in these circumstances prudent planning leaves little - and, I believe, no better - alternative to a continuation in 1987, with judicious adjustments, of the economy measures introduced in 1986. The General Assembly, by its decision 41/466 of 11 December 1986, concurred in this approach.

2. In these circumstances, and until such time as the situation improves, I have decided to continue the following measures in 1987:

(a) A freeze in recruitment;

(b) Non-extension of staff beyond the age of 60;

(c) A six-month delay in the implementation of 1987 promotions;

(d) Reductions in the use of budgeted funds for travel, the hiring of consultants, temporary assistance and overtime. Reductions will also be made in respect of other objects of expenditure along the lines followed in 1986, with such adjustments as may be appropriate;

(e) The deferral of a number of construction, alteration and maintenance projects, as well as the maintenance of housekeeping economies and adjustments;

(f) Strict and rigorous application of the resolutions of the General Assembly and the Economic and Social Council on the control and limitation of documentation;

(g) Suspension of the payment of one half of the representation allowance for staff at levels D-2 and above.

3. In addition, measures will be taken that will affect the timing, venue, level of services and possible duration of conferences and meetings in 1987.

4. The measures outlined above will undoubtedly result in a number of modifications in the implementation of programmes in 1987. To alleviate the impact of these measures, arrangements have been made that will facilitate vacancy management and staff redeployment. These are being outlined in a separate communication.

5. As I stated in my communication to you in March 1986 (ST/SGB/217), it was my intention to lift the deferment of the implementation of cost-of-living adjustments in the salaries of staff in the General Services and related categories at the eight main duty stations as soon as practicable. In this regard, I have decided that the cost-of-living adjustments that were deferred in 1986 will be implemented with effect from 1 January 1987. At the same time, in the light of the current financial situation, there is no alternative but to postpone implementation of cost-of-living adjustments that may become due in 1987 at the same eight duty stations. As in 1986, I remain fully committed to lifting this measure as soon as practicable.

6. I wish to assure you that my objective continues to be to keep to a minimum any hardship and dislocation for individual staff members and any prejudice to the essential work of the Organization. I wish to place on record once again my deep appreciation for the loyalty and support that you have shown this year and I am confident that I can count on your continued dedication in 1987.

Javier PEREZ DE CUELLAR
Secretary-General
