Managing Extrabudgetary Funds in the UN System

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AHGE on Harmonization of Fossil Energy & Mineral Resources Terminology

Objectives

• Brief overview of how extrabudgetary funds are managed in the UN system
• Background for information
• Discussion separate from Governance
• No budget estimates included
• Originally intended to include this information in Document ECE/ENERGY/GE.3/2007/4
  • UNECE Executive Office has determined that development of formal “Extrabudgetary” document is its responsibility
  • ECE/ENERGY/GE.3/2007/4 was withdrawn, and Executive Office preparing document for all ECE programmes
Need for Extrabudgetary Support

- Formal development of budget will be driven by governance model chosen including approved activities
- Possible needs
  - Staffing of technical specialists
  - Outreach and education
  - Case studies
  - Administrative functions
  - Consultancies
- Secretariat does receive inquiries from potential donors for interim support

Types of Contributions

- Direct extrabudgetary support
  - Agreements with donors
  - Specific objectives and outcomes tied to the amount, type and term of support
  - UN is well-structured to receive extrabudgetary funds through UN trust funds
- Indirect (in-kind) support - many examples
  - Absorbing travel costs of participants to attend meetings, workshops, etc.
  - Supporting active participation of staff in the work on the UNFC
  - Hosting workshops, training, or other similar activities
Management of UN Trust Funds

- Managed in US$
  - Payment in US dollars or other convertible currencies
- Agreements must be in conformity with UN regulations, rules, and instructions
- Activities must be financed in a way that does not have financial implications for the regular budget of the UN
- Trust funds have:
  - 13% project support cost (overhead) charged
  - 15% operating reserve to cover shortfalls, but is released to the project as funds are expended
- No commitment or expenditure can be made before funds are received by the UN
- Engagement of personnel, travel, and procurement of supplies, equipment and services financed from trust funds are subject to UN regulations and policies
- Audited on a regular basis through UN auditing procedures

Personnel

- Financed from Trust Funds
  - Recruited in accordance with UN rules
  - Considered temporary-fixed term (L-staff) and recruited under the “200 series” of UN staff rules
  - Salary for L-staff is the same as used for P-staff and benefits and allowances are generally the same
- Junior Professional Officers (JPOs)
  - L-2/L-3 level
  - On loan from governments and intergovernmental organizations for 1-3 years
  - Arranged by UN Dept of Social & Economic Affairs, New York
  - Funding to pay salary and related costs, training and travel provided by donor government
- Non-Reimbursable Loan Basis
  - Loan of services of an individual without any cost to the UN for salary, allowances, and benefits
  - Contracted through Special Service Agreement
  - Donor pays 14% of value of services to the UN overhead account