

Managing Extrabudgetary Funds in the UN System

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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 - ECE/ENERGY/GE.3/2007/4 was withdrawn, and Executive Office preparing document for all ECE programmes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 that 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