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PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

Activities of the Advisory Committee on Administrative  
and Budgetary Questions

(Spring/summer 1980)

First report of the Advisory Committee on Administrative and  
Budgetary Questions

GENERAL

1. The major functions of the Advisory Committee, as defined by the General Assembly in resolution 14 (I) of 13 February 1946, are:

"(a) To examine and report on the budget submitted by the Secretary-General to the General Assembly;

"(b) To advise the General Assembly concerning any administrative and budgetary matters referred to it;

"(c) To examine on behalf of the General Assembly the administrative budgets of the specialized agencies and proposals for financial arrangements with such agencies;

"(d) To consider and report to the General Assembly on the auditors' reports on the accounts of the United Nations and of the specialized agencies."

2. Under rule 156 of the rules of procedure of the General Assembly, the members of the Advisory Committee, no two of whom shall be nationals of the same State, shall be selected on the basis of broad geographical representation, personal qualifications and experience.

\* A/35/150.

3. The members of the Advisory Committee are:

Mr. C. S. M. MSELLE (Chairman)  
Mr. Andrzej ABRASZEWSKI  
Mr. Michel BROCHARD  
Mr. Hamed A. EL-HOUDERI  
Mr. Mohamed Maloum FALL  
Mr. Lucio GARCÍA DEL SOLAR  
Mr. Anwar KEMAL  
Mr. Sumihiro KUYAMA  
Mr. V. K. PALAMARCHUK  
Mr. George F. SADDLER  
Mr. Rudolf SCHMIDT  
Mr. Michael F. H. STUART  
Mr. Morteza TALIEH  
Mr. TANG Jianwen  
Mr. Christopher R. THOMAS  
Mr. Norman WILLIAMS

4. The Advisory Committee met at Santiago from 29 April to 2 May, at Mexico City on 7 and 8 May, in New York from 12 May to 6 June, at Geneva from 10 to 20 June and at Vienna from 23 to 27 June 1980.

#### MEETINGS WITH THE ECONOMIC COMMISSION FOR LATIN AMERICA

5. At Santiago, the Advisory Committee discussed ECLA's accommodation requirements, the role of ECLA's subregional offices, institutional relations between ECLA and the Latin American Institute for Economic and Social Planning (ILPES) and the Latin American Demographic Centre (CELADE), the impact of inflation on the budget of the ECLA system, and the vacancy situation in the professional and higher categories.

6. With regard to ECLA's accommodation at Santiago, the Committee was provided with detailed information on the problem of space, projected space requirements and possible solutions being developed in consultation with Headquarters, New York. The Committee understands that the Secretary-General will submit to the General Assembly at its thirty-fifth session a report on accommodation requirements at Santiago. In its consideration of that report the Committee will bear in mind the information provided to it during its visit to Santiago.

7. With regard to ECLA's institutional relations with ILPES and CELADE, the Executive Secretary explained to the Committee his views on the integration,

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planning and co-ordination of ILPES and CELADE within the ECLA system. In that connexion, he informed the Committee of measures taken to extend the integration process to the reproduction services. A survey of documents reproduction, printing and typing facilities has been conducted in consultation with Headquarters, New York, with a view to modernizing the Documents Reproduction Section of ECLA and to upgrading its capabilities. The Advisory Committee understands that the Secretary-General will submit to the General Assembly specific proposals on the subject.

8. The Advisory Committee visited ECLA's subregional office in Mexico City, the largest subregional office of the Commission. 1/ The office serves as secretariat for the Commission's Committee on Central American Economic Co-operation and carries out decentralized substantive activities in the Central American region. It shares rented premises with UNIC, UNEP, UNCHS, UNIDO, UNDP, WFP, UNFPA and UNICEF. 2/ The Committee met with the director of ECLA's subregional office and his senior staff. It also held a joint meeting with representatives of other United Nations offices and of specialized agencies in Mexico City. The Committee exchanged views with them on the operation of common premises and services and obtained information on services provided to other United Nations organizations by the ECLA subregional office and on cost-sharing arrangements.

9. The Advisory Committee inquired into the rental arrangements for the premises occupied by United Nations offices in Mexico City. The representatives of the Executive Secretary of ECLA informed the Committee that the host Government provided a cash contribution equal to 50 per cent of the rental of office premises occupied by United Nations offices. 3/ The Committee understands that the ECLA subregional office contracts for the rental of space and common services on behalf of United Nations occupants and prorates all costs of such services on the basis of space occupied after adjusting for common areas.

10. Information provided to the Committee by the ECLA/Mexico City subregional office indicates that the current lease is for the three-year period from 1 January 1980 to 31 December 1982. The ECLA officials expressed uncertainty with regard to the renewal of the lease beyond the end of 1982. In the circumstances, and bearing in mind that the ECLA/Mexico City subregional office, as the largest

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1/ The number of established regular-budget posts in that office in 1980-1981 is 92 (26 Professional and 66 Local level), as compared to 424 posts at Santiago (130 Professional and 294 Local level).

2/ These United Nations offices occupy a total of 11 floors in a 14-floor building owned by a private company.

3/ The Advisory Committee was informed that the rent subsidy to be paid by the host Government for 1980 would amount to \$240,000 and that the portion of that contribution corresponding to ECLA's share of the premises would be approximately \$134,000.

United Nations unit in Mexico City, has "lead agency" status in general administrative matters of concern to other offices of United Nations organizations, the Advisory Committee believes that the question of accommodation in Mexico City warrants a close examination by the Secretary-General in collaboration with other United Nations agencies.

#### MEETINGS IN NEW YORK, GENEVA AND VIENNA

11. In New York, the Advisory Committee met with representatives of the Administrator of UNDP and with the Executive Director of the United Nations Fund for Population Activities (UNFPA) and submitted reports to the Governing Council of UNDP for consideration at its twenty-seventh session (June 1980) on:

(a) UNDP supplementary budget estimates for 1979 (DP/503);

(b) UNFPA budget estimates for the administrative and programme support services for 1981 and supplementary appropriations for 1980 (DP/497).

12. The Advisory Committee met with the United Nations Board of Auditors in New York and discussed its audit reports on the accounts of the United Nations for 1978-1979 and various associated programmes and funds for 1978-1979 or 1979. <sup>4/</sup> The Committee has submitted a separate report on these matters to the General Assembly at its thirty-fifth session.

13. In the context of the agenda item entitled "Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency", the Advisory Committee, during its sessions in New York, at Geneva and Vienna, met with agency representatives and discussed with them the administrative budgets of their respective organizations and other related matters. The Committee will report on this item to the General Assembly at its thirty-fifth session.

14. While at Geneva the Advisory Committee held a joint meeting with the JIU at which questions of common interest to the two bodies were discussed. These included, inter alia, the work being done by the Unit related to its report to the General Assembly on procedures for obtaining estimates and soliciting bids on United Nations construction projects, and ways of avoiding duplication between inquiries by the Unit into the staffing requirements of the organizations and those of the Advisory Committee on the question of reclassifications, on which the Committee will be reporting to the General Assembly at its current session.

15. Also at Geneva, the Committee met with the United Nations High Commissioner for Refugees and his senior colleagues who described the additional tasks which his Office must undertake as a result of new refugee situations, and the related financial and staffing requirements. The Advisory Committee will take that

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<sup>4/</sup> Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 5 (A/35/5).

information into account when it submits to the Executive Committee of the High Commissioner's Programme at its thirty-first session its observations on the High Commissioner's report on UNHCR assistance activities in 1979-1980 and proposed voluntary funds programmes and budget for 1981 (A/AC.96/577).

16. During its visit to Vienna the Advisory Committee obtained information from the International Atomic Energy Agency, UNIDO and the United Nations Office at Vienna on the operation of the Vienna International Centre (VIC). The Committee will submit a report to the General Assembly at its current session on the review and analysis by the Secretary-General of the operating expenses of the VIC which was recommended by the Advisory Committee last year. 5/

ANNUAL REPORT BY THE SECRETARY-GENERAL ON MANAGEMENT IMPROVEMENT  
PROJECTS AND OTHER ADVISORY SERVICES RENDERED BY THE  
ADMINISTRATIVE MANAGEMENT SERVICE

17. The Advisory Committee received from the Secretary-General a report on management improvement projects and other advisory services rendered by AMS in 1978. The report, which was submitted pursuant to General Assembly resolution 31/94 C of 14 December 1976, should have reached the Committee at its autumn 1979 session. In the opinion of the Advisory Committee the late submission of the report has robbed it of much of its value. The Advisory Committee urges the Secretary-General to ensure that the report for 1979 should reach the Committee by September 1980.

18. The Committee will report to the General Assembly on the activities of AMS in the light of the additional information which the Secretary-General will provide in his report on AMS for 1979.

BUDGET AND PROGRAMME PERFORMANCE FOR THE BIENNIUM 1978-1979

19. Pursuant to paragraph 2 of General Assembly resolution 34/223 A of 20 December 1979, the Advisory Committee has concurred in a request by the Secretary-General to transfer credits totalling \$3,707,608 from sections 1, 3, 5C, 13A, 20, 21 and 22 of the programme budget for the biennium 1978-1979 to sections 2, 5A, 5D, 6, 9, 13B, 19, 23 and 24.

20. The Secretary-General informed the Advisory Committee that actual expenditures and obligations for 1978-1979, as reflected in the closed accounts, amounted to \$1,077,492,872, as against revised appropriations of \$1,084,186,200 approved by the General Assembly in resolution 34/223 A of 20 December 1979. The uncommitted balance thus amounted to \$6,693,328, or 0.6 per cent of the revised appropriations. Income actually received in 1978-1979 amounted to \$193,208,219 as against a revised approved estimate of \$190,856,900 (General Assembly resolution 34/223 B of

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5/ Ibid., Thirty-fourth Session, Supplement No. 7A (A/34/7/Add.1-28), document A/34/7/Add.26, para. 3.

20 December 1979). Miscellaneous income exceeded the approved estimate by \$4,114,504; taking into account, however, a shortfall of \$1,763,185 in income from staff assessment, the net increase over the approved estimate of income was \$2,351,319, or 1.2 per cent.

21. The Advisory Committee recalled that the revised appropriations approved by the General Assembly in resolution 34/223 A were \$5,927,300 less than the appropriations of \$1,090,113,500 approved at the thirty-third session by resolution 33/205 A; and that the estimate of income approved by resolution 33/205 B had been \$195,720,500. The reasons for the over-all decrease of \$5,927,300 in the expenditure sections and of \$4,863,600 in the income sections were set out by the Secretary-General in document A/C.5/34/79 and Add.1-27 and Add.10/Corr.1. In its related report to the General Assembly the Advisory Committee indicated that it had been unable to submit the Secretary General's report to detailed examination because of its late submission but that the Committee would revert to it, if need be, in the context of the report on programme implementation to be submitted to the Committee for Programme and Co-ordination at its twentieth session and the General Assembly at its thirty-fifth session (A/34/842).

22. The Advisory Committee notes that one of the reasons why appropriations have not been utilized in full was the vacancy situations in several organizational units. The most significant underexpenditure due to vacancies occurred in the Department of International Economic and Social Affairs, the Economic and Social Commission for Asia and the Pacific, and the United Nations Centre for Human Settlements.

23. In his report on the programme performance of the United Nations for the biennium 1978-1979 (A/C.5/35/1 and Add.1 and Add.1/Corr.1), the Secretary-General in several places relates delays or postponements of outputs to the vacancy situation. Elsewhere in the same document, however, delays or postponements are attributed to "shortage of staff" 6/ or "lack of staff". The Advisory Committee points out that those terms are ambiguous. In this connexion the Committee notes the explanations provided to CPC concerning the use of the term "lack of resources" to justify non-implementation of programme elements or outputs. 7/

24. The Advisory Committee has also noticed inconsistencies between the programme performance report and the reports on budgetary performance. For example, in paragraph 5D.7 of document A/C.5/34/79/Add.5 it is stated that the natural resources and energy programme "is being implemented according to plan, although there may be some delay in the completion of some of the output to 1980". In document A/C.5/35/1, on the other hand, it is stated that only 80.3 per cent of the output of the natural resources and energy programme was implemented as programmed, and in paragraphs 5D.2 and 5D.4 the Secretary-General enumerates delays and terminations which he attributes to "lack of staff".

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6/ See, for example, A/C.5/35/1, para. 17.2, on the Office of the United Nations Disaster Relief Co-ordinator.

7/ Official Records of the General Assembly, Thirty-fifth Session, Supplement No. 38 (A/35/38), paras. 297-298.

25. Similarly, in document A/C.5/35/1 the Secretary-General states that 94.9 per cent of the output related to depository functions of the Secretary-General, registration and publication of treaties was implemented as programmed. That statement is inconsistent with the information provided in document A/C.5/34/79/Add.20 and oral evidence given to the Advisory Committee which indicates that the number of volumes of the Treaty Series actually issued in 1978-1979 was very much less than planned.

26. The Advisory Committee concluded that the information on programme performance given in the report by the Secretary-General in document A/C.5/35/1 and Add.1 and Add.1/Corr.1 did not adequately complement the information on budget performance in document A/C.5/34/79 and Add.1-27 and Add.10/Corr.1.

27. At the same time, the Committee recognizes that the report by the Secretary-General on programme performance of the United Nations for the biennium 1978-1979 (A/C.5/35/1 and Add.1 and Add.1/Corr.1) was the first report of its kind to be issued by the United Nations and that its compilation called for a great deal of ex post facto reconstruction since much of the necessary data (e.g., the description and enumeration of outputs) had not been included in the Secretary-General's proposed programme budget for the biennium 1978-1979. 8/ Inasmuch as such information forms part of the programme budget proposals for 1980-1981 9/ the report on programme performance for 1980-1981 should be more specific. In this connexion, the Advisory Committee is of the opinion that one of the weaknesses of the report on programme performance for the biennium 1978-1979 is that it overlooks the considerable differences in the volume of inputs which are required for individual outputs; a mere aggregation of the number of outputs completed does not, in the circumstances, provide a valid criterion of the proportion of the work actually carried out. The Committee trusts that the situation will improve following the implementation of the recommendations discussed by the Secretary-General in his report on the identification of output in the programme budget of the United Nations (A/C.5/35/2).

DELAYS IN THE SUBMISSION OF DOCUMENTS TO THE ADVISORY COMMITTEE AND THE  
FIFTH COMMITTEE DURING SESSIONS OF THE GENERAL ASSEMBLY

28. In its first report to the General Assembly at its thirty-fourth session on the proposed programme budget for the biennium 1980-1981, the Advisory Committee described the difficulties which had arisen at the thirty-third session as a result of the late submission of reports originating in the Secretariat and of the growing tendency for the Main Committees to defer action on draft resolutions having financial implications until the closing days of the session. The Advisory Committee urged that decisive action be taken by delegations in all the Committees and by the Secretariat to reverse those trends. 10/

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8/ Ibid., Thirty-second Session, Supplement No. 6 (A/32/6).

9/ Ibid., Thirty-fourth Session, Supplement No. 6 (A/34/6).

10/ Ibid., Supplement No. 7 (A/34/7); chap. I, paras, 60-76.

29. The situation at the thirty-fourth session with the issuance of documentation in the A/C.5/34/- series which required consideration by the Advisory Committee was as follows: 11/

<u>Period</u>	<u>Financial implications</u>	<u>Other</u>	<u>Total</u>
Before 16 September	-	2	2
16 September to 15 October	-	5	5
16 October to 16 November	3	15	18
17 November to 15 December	34	17	51
After 15 December	<u>2</u>	<u>2</u>	<u>4</u>
	39	41	80

30. The total number of such documents issued before the middle of November 1979 was in fact lower than during the corresponding period at the thirty-third session: 25 as against 37 (including, in both cases, three statements of financial implications). From the middle of November to the middle of December 51 documents were issued in 1979 as against 48 in 1978.

31. The Advisory Committee began its autumn 1979 session on Tuesday, 4 September. **Between** that date and mid-November, i.e., over a period of 11 weeks, the Committee had enough business for only 39 meetings.

32. During the three-week period preceding the organizational meeting of the Fifth Committee on 24 September 1979, the Advisory Committee held 15 meetings; if documentation had been submitted to it in good time it could have met 25 times. An analysis of the meeting schedules of the Fifth Committee and the Advisory Committee between 24 September 1979 and Friday 16 November 1979, reveals the following:

Potential number of day-time meetings:	two meetings		
a day x 5 days a week for 8 weeks.			80
Number of meetings held by:			
Fifth Committee		50	
Advisory Committee		<u>24</u>	<u>74</u>
Unutilized meetings			6

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11/ Based on dates of issue as shown in the "Daily list of documents" distributed at Headquarters.



33. During the four-week period from mid-November to mid-December 1979 the situation was as follows:

Potential number of day-time meetings		40
Number of meetings held by:		
Fifth Committee	31	
Advisory Committee	<u>23</u>	<u>54</u>
Excess		14

Pressure of work after mid-November compelled the Advisory Committee to meet every Saturday and the Fifth Committee to hold night meetings.

34. Had the Advisory Committee been allowed to make full use of the meeting time before mid-November (when 16 meetings were not utilized - see paragraph 32 above) the need for Saturday and night meetings during the concluding four-five weeks of the session would have been eliminated, or, at least, very considerably reduced.

35. The Advisory Committee is aware that from time to time it has been suggested that the Fifth Committee would be able to get through its agenda more expeditiously if it were to meet concurrently with the Advisory Committee. While the Advisory Committee agrees that the need for concurrent meetings will arise from time to time in exceptional circumstances, it is convinced that the only way to prevent delays in the work of the Fifth Committee is through the earlier submission of the necessary documentation. The Advisory Committee therefore urges all concerned to take effective measures to that end. The Committee's view is that undue reliance on concurrent meetings may exacerbate present difficulties by, for example, providing an excuse for further delays in the early submission of documentation. At the same time, frequent concurrent meetings would be impractical not only because of the need for its Chairman to be available to answer questions in the Fifth Committee and of the overlapping membership of the Advisory Committee and the Fifth Committee, but also because the presence of the same senior Secretariat officials would be required by both bodies.

#### TIME-TABLE FOR THE PREPARATION OF THE BIENNIAL PROGRAMME BUDGET

36. In its first report to the General Assembly at its thirty-fourth session on the proposed programme budget for the biennium 1980-1981, the Advisory Committee referred to the difficulties it had experienced as a result of the late submission of the Secretary-General's programme budget proposals. The Committee then expressed its concern that

"unless action is taken by the Secretary-General, future biennial programme budget proposals and the related reports of the Advisory Committee may well not become available to Member States until after the opening of the General Assembly session at which they are to be considered. In the

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circumstances, the Committee urges that all necessary steps be taken to ensure that future biennial programme budget proposals, including the foreword and the annexes to it, are submitted to the Advisory Committee much earlier than they were in 1979". 12/

37. A note by the Secretariat submitted to the Committee for Programme and Co-ordination (CPC) at its twentieth session in May-June 1980 proposed a time-table for the preparation and review of the proposed programme budget for the biennium 1982-1983. In that note reference was also made to the review of the proposed programme budget by CPC and the Advisory Committee according to their respective mandates. The note went on to say that, in accordance with the mutual desire of the two Committees, the review by CPC should precede the review by the Advisory Committee, since any changes that might be recommended by CPC in the content of the programmes could affect the amount of resources required for their implementation.

38. In connexion with the foregoing, the Advisory Committee informed the Secretary-General that it agreed that it was desirable that at the time it examined the proposed programme budget it should have available to it the observations and recommendations of CPC. In practice, however, the Advisory Committee's ability to await the receipt of the CPC's observations and recommendations is limited by the requirement of Regulation 3.6 of the Financial Regulations of the United Nations that the report of the Advisory Committee should be transmitted to all Member States at least five weeks prior to the opening of the regular session of the General Assembly at which the biennial programme budget proposals are to be considered.

39. As regards the impact of CPC recommendations on the amount of resources required for the implementation of programme, the Advisory Committee recalled that in its first report on the proposed programme budget for the biennium 1978-1979 it expressed the opinion that any such recommendations by CPC would require the submission by the Secretary-General of statements of administrative and financial implications, on which the Advisory Committee would comment in the usual manner. 13/

40. The procedure outlined in the preceding paragraph derived from the requirements of the Financial Regulations of the United Nations, with particular reference to Regulation 3.6 which states in part that "The Advisory Committee shall prepare a report to the General Assembly on the programme budget proposed by the Secretary-General" /emphasis added/.

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12/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 7 (A/34/7), chap. I, para. 4.

13/ Ibid., Thirty-second Session, Supplement No. 8 (A/32/8), chap. I, para. 105.

41. At the Advisory Committee's request, the above observations were brought by the Secretary-General to the attention of CPC which reflected them in its report on the work of its twentieth session. 14/ In its Conclusions and Recommendations CPC states that the proposed programme budget for 1982-1983 must be finalized and distributed by the end of April 1981 and that the Secretary-General should be requested to take all necessary steps to that end. 15/

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14/ Ibid., Thirty-fifth Session, Supplement No. 38 (A/35/38), paras. 48-51.

15/ Ibid., paras. 339-340.