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PROGRAMME BUDGET FOR THE BIENNIUM 1976-1977

Revised programme and budget proposals under sections 4, 5B, 22, 25
and income section 1

Twentieth report of the Advisory Committee on Administrative and
Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/31/25 and Corr.1) on the revised estimates, under sections 4, 5B, 22, 25 and income section 1 of the programme budget for the biennium 1976-1977, relating to the transnational corporations major programme in a total amount of \$3,784,000 gross (\$3,502,300 net).

2. The breakdown by section (which is given in para. 66 of the report of the Secretary-General) is as follows:

		<u>(Thousands of US dollars)</u>	
Section 4:	Policy-making organs		433.0
Section 5B:	Centre on Transnational Corporations (excluding joint units)	1,867.4	
	Joint units in the regional commissions	<u>473.5</u>	2,340.9
Section 22D:	Electronic Data Processing and Information Systems Service		383.1
Section 22J:	Office of General Services, Headquarters		345.3
Section 25:	Staff assessment		<u>281.7</u>
	TOTAL, gross		3,784.0
Income section 1:	Income from staff assessment . .		<u>281.7</u>
	TOTAL, net		3,502.3

A. General considerations

3. The appropriations for section 5B (Centre on Transnational Corporations), of the programme budget for the biennium 1976-1977, as approved by the General Assembly in resolution 3539 (XXX) of 17 December 1975, amount to \$1,215,500. The Assembly also appropriated an amount of \$165,800 under section 4 for the sessions of the Commission on Transnational Corporations. As the Secretary-General indicates in paragraph 2 of document A/C.5/31/25, those appropriations relate to the initial organizational phase only and not to the functions and programme of work of the Centre on Transnational Corporations which were not known at the time the appropriations were approved.

4. At its 2032nd meeting, on 5 August 1976, the Economic and Social Council adopted decision 180 (LXI) in which, inter alia, it approved, taking into consideration the views expressed at the Council's sixty-first session, the programme of work on the full range of issues related to transnational corporations recommended by the Commission on Transnational Corporations in the report on its second session. 1/

5. In document A/C.5/31/25 and Corr.1, the Secretary-General provides information on the programme of work and related staffing and other requirements in the period 1977-1979. The Committee notes that the total work-month implications by project of the programme of work of the Centre in 1977 (320 Professional work-months and 288 General Service work-months) correspond to the number of posts shown in annex II, table 5, after allowing for the 33 per cent delayed recruitment deduction for new posts recommended by the Secretary-General.

6. The work-month requirements projected for 1978 (492 for Professionals and 447 for General Service) foreshadow the request for a further expansion of the staff of the Centre for they are higher than the full-year delivery of the manning table requested for 1977 by 84 work-months of Professional time (492 as against $34 \times 12 = 408$) and by 84 work-months of General Service time (444 as against $30 \times 12 = 360$).

7. The Advisory Committee inquired whether arrangements had been made to ensure that there is no duplication between the programme of work of the Centre and those of the specialized agencies. The Committee was informed by the representatives of the Secretary-General that the programme of work of the Centre for 1977-1979 had been drawn up bearing in mind the need for close co-operation and co-ordination with the specialized agencies. An interagency meeting on the activities of the United Nations system related to transnational corporations was held in September 1976 and it was planned to hold such meetings annually in the future.

1/ Official Records of the Economic and Social Council, Sixty-first Session, Supplement No. 5 (E/5782).

B. Section 4. Policy-making organs

8. The Secretary-General's request for \$433,000 under this section includes \$118,500 for travel and subsistence for 15 persons who will be assisting the Commission in a private consultative capacity (A/C.5/31/25, paras. 12-14) and \$314,500 in conference-servicing costs.

9. The Advisory Committee notes from paragraph 14 and foot-note 6 of the report by the Secretary-General that the former estimate is based on the attendance of all 15 persons at two sessions of the intergovernmental working group of the whole of the Commission on Transnational Corporations and at the third session of the Commission itself, for a total of five weeks; this means that each of those 15 persons would have to make three separate journeys to New York: in the middle of January, at the end of February and at the end of April. The Advisory Committee believes that it is unlikely that all 15 persons will attend each session. In the circumstances and bearing in mind that the group may consist of fewer than 15 persons (in para. 12 of his report the Secretary-General refers to "12 to 15 persons") the Advisory Committee recommends that the estimate for travel and subsistence be reduced to \$100,000.

10. The estimate of \$314,500 for conference-servicing costs consists of \$162,100 for two sessions in 1977 of the intergovernmental working group of the whole (A/C.5/31/25, para. 10) and \$152,400 for sessions in 1976 and 1977 of an Ad Hoc Intergovernmental Working Group on Corrupt Practices. The Advisory Committee was informed by the representatives of the Secretary-General that those estimates included the services to be provided from already approved resources and that he would include in his report on conference-servicing requirements, to be submitted to the General Assembly later in the session, his estimate of the additional requirements, if any, related to the transnational corporations major programme. Consequently no requirements for conference-servicing arise at this stage under section 4.

C. Section 5B. Centre on Transnational Corporations

11. The additional requirements of \$2,340,900 under this section comprise \$1,867,400 for the Centre on Transnational Corporations and \$473,500 for the joint units in the regional commissions. The breakdown of this request by object of expenditure is given on pages 3 and 4 of annex V to the report of the Secretary-General.

12. The increase of \$654,900 for established posts relates to the request for 22 Professional and higher posts (one D-2, two D-1, four P-5, seven P-4, five P-3 and three P-2/1) and 18 General Service posts (including five G-5). In terms of organizational units the new posts are being requested as follows:

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	<u>Professional and above</u>	<u>General Service</u>
Office of the Executive Director		1 (G-4/1)
Information Analysis Division	10 (1 D-2, 1 P-5, 4 P-4, 2 P-3, 2 P-2/1)	10 (2 G-5, 8 G-4/1)
Policy Analysis Division	8 (1 D-1, 1 P-5, 2 P-4, 3 P-3, 1 P-2/1)	6 (3 G-5, 3 G-4/1)
Advisory Services	4 (1 D-1, 2 P-5, 1 P-4)	1 (G-4/1)
	<u>22</u>	<u>18</u>

13. The Advisory Committee attempted to relate the proposed manning tables in annex II to the report of the Secretary-General to the work-months implications by project given in annex I. The representatives of the Secretary-General informed the Committee that the Information Analysis Division will not necessarily be responsible for the projects listed in annex I under "Comprehensive information system"; nor will the Policy Analysis Division carry out all the projects listed in annex I under "Research on the political, legal, economic and social effects of the operations and practices of transnational corporations". Indeed, the allocation of staff to projects would depend on the qualifications and expertise of individual staff members. That being the case, the extent to which the Centre would be able to carry out its programme of work would, in the Advisory Committee's opinion, depend on the rate of recruitment of suitably qualified candidates and also on the ability of the already existing structure (including the management of the Centre) to assimilate, and give proper direction to, the new entrants.

14. The Advisory Committee points out that unless growth is controlled and properly time-phased, a rapidly expanding organization would be tempted to undertake too much all at once. That would lead to fragmentation of effort and lack of internal co-ordination which, once introduced, would be very hard to eradicate. The projects described in document A/C.5/31/25 and summarized in annex I thereto constitute a far-reaching and ambitious programme of work which would entail the virtual tripling of the Centre's manning table in 1977 and further considerable increases in 1978 and 1979. The Advisory Committee is not convinced that such an expansion is practicable within the proposed time-table. In the circumstances, the Committee is of the view that the build-up of the staff resources of the Centre should proceed more slowly than is recommended by the Secretary-General.

15. The Advisory Committee recommends that the professional establishment of the Centre be increased in 1977 from 12 to 23, by the addition of one D-2, one D-1, two P-5, four P-4, two P-3 and one P-2/1 posts, and the general service staff be increased from 12 to 21 by the addition of two G-5 and seven G-4/1 posts. Such an increase would correspond to virtually doubling the size of the Centre within a period of 12 months.

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16. Compared to the Secretary-General's proposals, the recommendations in the preceding paragraph represent a reduction by 11 Professional (one D-1, two P-5, three P-4, three P-3 and two P-2/1) and 9 General Service (three G-5 and six G-4/1) posts, or by \$364,200 in salaries and common staff costs.

17. The Committee has no objection to the Secretary-General's request for \$30,000 for general temporary assistance and \$21,800 for overtime (A/C.5/31/25, annex V, p. 3).

18. For the reason given in paragraph 8 of his report, the Secretary-General requests that the provision for consultants be increased from approximately \$33,000 in 1976 (half the \$65,900 appropriated for the biennium) to approximately \$768,500 in 1977. While the Committee appreciates the need for the Centre to have access to high-level outside expertise, it cautions against the engagement of too many consultants over a brief space of time, ^{2/} for such an approach would dilute supervision over their work and could lead to the commissioning of studies of marginal usefulness. Accordingly, the Advisory Committee recommends that the appropriation for consultants for the biennium be increased by \$400,000 to \$465,900. This represents a reduction of \$332,600 in the estimate submitted by the Secretary-General.

19. For official travel, the Secretary-General requests an additional amount of \$135,300 (for a total of \$157,900 for the biennium). The Committee notes from annex III to the report of the Secretary-General that the estimated cost of travel in 1977 is \$140,000. Bearing in mind the oft-expressed wish of the General Assembly for strict control over official travel and also the recommendations in paragraph 16 above on the size of the staff of the Centre, the Advisory Committee recommends that the current appropriation for travel (\$22,600) be increased by \$65,300 to \$87,900. This corresponds to a reduction of \$70,000 in the amount requested by the Secretary-General.

20. The Advisory Committee has no objection to the request for \$23,000 for printing. As regards the request for \$50,000 for library books and supplies, the Committee recommends that it should be reduced by \$30,000 to \$20,000, bearing in mind that the Centre has access to the collections in the Dag Hammarskjöld Library.

21. For the reasons given in paragraphs 16 and 18-20 above, the Advisory Committee recommends that the Secretary-General's request of \$1,867,400 for the Centre on Transnational Corporations be reduced by \$796,800 to \$1,070,600.

22. The Secretary-General's request for \$473,500 for joint units of the Centre on Transnational Corporations in the regional commissions consists of \$113,000 each for the joint units in the Economic Commission for Africa, the Economic Commission for Latin America and the Economic and Social Commission for Asia and the Pacific, \$56,500 for the joint unit in the Economic Commission for Europe and \$78,000 for the joint unit in the Economic Commission for Western Asia (A/C.5/31/25, annex V, p. 4). The Advisory Committee notes, from section H of the report of

^{2/} The figure following para. 8 of the report of the Secretary-General (A/C.5/31/25 and Corr.1) foreshadows approximately 225 man-months of consultancy services in 1977.

the Secretary-General and more particularly from its paragraphs 63 and 64, that the programmes of work for the units remain to be discussed. Normally the Committee would have expected requests for appropriations to follow rather than precede the formulation of programmes of work, but bearing in mind the urgency which the Secretary-General attaches to the establishment of the units, the Advisory Committee accepts the need for some budgetary provision for their establishment in 1977. In the interest of prudent management of the Organization's limited resources, the Committee recommends, however, that provision for the units should be made on a more modest scale than is requested by the Secretary-General, namely, \$200,000. This represents a reduction of \$273,500 in the amount requested by the Secretary-General.

D. Section 22D. Electronic Data Processing and
Information Systems Service

23. For the reasons given by the Secretary-General in his report, the Advisory Committee recommends acceptance of his request for \$345,300 for electronic data processing support for the Centre's programme of work. The Committee recommends further that electronic data processing applications in the transnational corporations major programme be subject to review by the interdepartmental information systems board in the manner described in the report of the Advisory Committee on electronic data processing and information systems in the United Nations (A/31/255, paras. 17 and 18). The Advisory Committee notes, from paragraph 28 of the report of the Secretary-General, that the Commission on Transnational Corporations will consider, at its spring 1977 session, the results of a feasibility study on the availability of information on transnational corporations; the Committee trusts that any work related to the outcome of that study will be undertaken only after the Commission has taken the relevant decisions.

E. Section 22J. Office of General Services, Headquarters

24. The Secretary-General's request for \$345,300 under this subsection relates to rental and maintenance of premises, communications, supplies and materials and furniture and equipment. The reductions recommended by the Advisory Committee in paragraphs 16 and 18 above entail a consequential reduction of \$160,000 under these heads.

F. Section 25. Staff assessment; income section 1.
Income from staff assessment

25. The reductions recommended by the Advisory Committee in paragraph 16 above entail a reduction of \$69,000 in the estimates under these two sections.

G. Recapitulation

26. In this report the Advisory Committee has recommended reductions totalling \$1,563,300 (net). They are summarized on a section-by-section basis in the table that follows.

	Request by the Secretary-General	Reduction recommended by the Advisory Committee	Additional appropriations recommended by the Advisory Committee <u>a/</u>
(Thousands of United States dollars)			
4. Policy-making organs . . .	433.0	333.0	100
5. Transnational Corporations	2,340.9	1,070.3	1,271
Centre	1,867.4	796.8	1,071
Joint units	473.5	273.5	200
22D. Electronic Data Processing and Information Systems Service	383.1	-	383
22J. Office of General Services, Headquarters	345.3	160	185
25. Staff assessment	281.7	69	213
TOTAL, gross	3,784.0	1,632.3	2,152
Income section 1. Income from staff assessment	281.7	69	213
TOTAL, net	3,502.3	1,563.3	1,939

a/ To the nearest \$1,000.
