



**ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS**

**BUDGET ESTIMATES
for
THE FINANCIAL YEAR 1968**

**FIRST REPORT TO THE GENERAL ASSEMBLY
AT ITS TWENTY-SECOND SESSION**

**GENERAL ASSEMBLY
OFFICIAL RECORDS : TWENTY-SECOND SESSION
SUPPLEMENT No. 7 (A/6707)**

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UNITED NATIONS
New York, 1967

NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

CONTENTS

	<i>Page</i>
FOREWORD	v
REPORT TO THE GENERAL ASSEMBLY ON THE BUDGET ESTIMATES FOR 1968	1
<i>Chapter</i>	<i>Paragraphs</i>
I. THE BUDGET ESTIMATES FOR 1968	
General	1-8 1
Nature and scope of the Advisory Committee's budget examination	9-12 3
Comparison of 1968 estimates with 1967 appropriations	13-25 3
Financial position of the Organization	26-30 6
Policy governing the 1968 estimates	31-39 6
Form of the budget	40-51 7
The authority of subsidiary organs to take decisions involving expenditure	52-73 8
Relationship between the Advisory Committee and the Committee for Programme and Co-ordination	74-82 11
Growth of staff	83-88 12
Documentation	89-109 13
Public information activities	110-118 15
The General Assembly and the Voluntary Programmes	119-121 16
II. DRAFT RESOLUTIONS	122-129 17
Comparative table of appropriations as proposed by the Secretary-General and recommended by the Advisory Committee	18
<i>Appendix</i>	
I. Draft budget resolutions for the financial year 1968	19
II. Draft resolution on unforeseen and extraordinary expenses for the financial year 1968	21
III. Draft resolution on Working Capital Fund for the financial year 1968	22
III. DETAILED RECOMMENDATIONS ON THE BUDGET ESTIMATES	
EXPENDITURES ESTIMATES	
<i>Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</i>	
<i>Section 1.</i> Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies	130-143 23
<i>Section 2.</i> Special meetings and conferences	144-154 25
<i>Part II. Staff costs and related expenses</i>	
<i>Section 3.</i> Salaries and wages	
General	155-161 27
Chapter I. Established posts	162-186 28
Chapter II. Temporary assistance for meetings	187-190 31
Chapter III. Other temporary assistance	191-197 32
Chapter IV. Overtime and night differential	198 32
Section 3 as a whole	199 32
<i>Section 4.</i> Common staff costs	200-209 32
<i>Section 5.</i> Travel of staff	210-223 33

	Paragraphs	Page
Section 6. Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; Hospitality	224-226	35
<i>Part III. Premises, equipment, supplies and services</i>		
Section 7. Buildings and improvements to premises	227-246	36
Section 8. Permanent equipment	247-254	38
Section 9. Maintenance, operation and rental of premises	255-268	39
Section 10. General expenses	269-292	42
Section 11. Printing	293-305	45
<i>Part IV. Special expenses</i>		
Section 12. Special expenses	306-324	47
<i>Part V. Technical programmes</i>	325-338	49
Section 13. Economic development, social development, and public administration		
Section 14. Human rights advisory services		
Section 15. Narcotic drugs control		
<i>Part VI. Special missions and related activities</i>		
Section 16. Special missions	339-343	52
<i>Part VII. Office of the United Nations High Commissioner for Refugees</i>		
Section 17. Office of the United Nations High Commissioner for Refugees	344-358	53
<i>Part VIII. International Court of Justice</i>		
Section 18. International Court of Justice	359-365	55
<i>Part IX. United Nations Conference on Trade and Development</i>		
Section 19. United Nations Conference on Trade and Development	366-384	56
<i>Part X. United Nations Industrial Development Organization</i>		
Section 20. United Nations Industrial Development Organization	385-411	59
ESTIMATES OF INCOME	412	63
<i>Part I. Income from staff assessment:</i>		
Income section 1. Staff assessment income	413-416	64
<i>Part II. Other income:</i>		
Income section 2. Funds provided from extra-budgetary accounts	417-421	64
Income section 3. General income	422-430	64
Income section 4. Revenue-producing activities	431-451	66
INDEX		70

FOREWORD

1. The major functions of the Advisory Committee on Administrative and Budgetary Questions are defined by the General Assembly in resolution 14 A (I) of 13 February 1946 as follows:

“(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.”

The members of the Advisory Committee are:

Mr. Jan P. Bannier (*Chairman*);

Mr. Abdou Ciss;

Mr. Paulo Lopes Corrêa;

Mr. André Ganem;

Mr. Pedro Olarte;

Mr. John I. M. Rhodes;

Mr. Mohamed Riad;

Mr. E. Olu Sanu;

Mr. Dragos Serbanescu;

Mr. Shilindra K. Singh;

Mr. V. F. Ulanchev;

Mr. Wilbur H. Ziehl.

2. The Advisory Committee in the first part of its summer session met in New York from 15 May 1967 to 26 June 1967. It examined:

(a) The budget estimates of the United Nations for 1968 (A/6705);

(b) The financial reports and accounts for 1966 and reports of the Board of Auditors relating to the several United Nations programmes and activities (A/6706 and Add.1-4 and A/6708);

(c) A progress report of the Administrative Committee on Co-ordination on the implementation of the recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies (E/4337, Chapter V A);

(d) Various questions of a budgetary or administrative nature.

The present report covers item (a); the Committee's observations and recommendations on item (b) are submitted separately in documents A/6673 and A/6674; and those on item (c) in document E/4401.

3. The Advisory Committee subsequently moved to Paris for a review of the administrative and management procedures concerning the programme and budget of UNESCO as recommended by the above-mentioned *Ad Hoc* Committee of Experts in paragraph 90 (d) of its second report (A/6343). A report on this item will be submitted in document A/6675.

4. The Committee expresses its thanks to the Secretary-General and senior members of the Secretariat, in particular the Controller and the Director of the Budget, for their invaluable assistance. In view of the limited time at its disposal, the Committee appreciated that the budget estimates for 1968 were made available at an early date.

5. The thorough work of the Board of Auditors and the presentation of the Board's reports by its Chairman was esteemed by the Advisory Committee.

6. I wish to express the gratitude of the Committee and of myself to our able and devoted staff at all levels, and to our very capable interpreter. The Committee valued highly the contribution of two of its former Executive Secretaries who made themselves available when the Executive Secretary, owing to illness, was not in a position to render his full services during the first part of the session.

(Signed) J. P. BANNIER
Chairman

26 June 1967

CHAPTER I

THE BUDGET ESTIMATES FOR 1968

GENERAL

1. A gross expenditure budget of \$141,619,300 is proposed by the Secretary-General for 1968,¹ an increase of \$12,382,370 as compared with adjusted appropriations for 1967 in the amount of \$129,236,930. This latter figure represents the 1967 appropriations as approved by the General Assembly adjusted to reflect the transfer in the 1968 estimates of certain costs, previously shown under the expenditure estimates, to the revenue-producing activities as a direct charge against the income derived from those activities.

2. Of the total estimated income of \$23,936,700 for 1968, income from staff assessment (for distribution to Member Governments as credits through the Tax Equalization Fund) is calculated at \$15,000,000, and income from all other sources (for deduction from gross appropriations for purposes of the assessment of contributions) at \$8,936,700. After deduction of estimated income, the net expenditure level for 1968 would be \$117,682,600, representing an increase of \$9,010,796 over the net level of \$108,671,804 approved for 1967.

3. It should be noted that the 1968 estimates make no provision for the supplementary items listed in paragraph 22 below, which, although foreseen by the Secretary-General, cannot be precisely estimated at this time, plus any additional items which may arise as the result of subsequent decisions by the Economic and Social Council and the General Assembly.

4. The Advisory Committee recommends reductions in the expenditure estimates totalling \$5,626,700, on the basis of justifications given later in the report. These, together with certain recommended adjustments in the income estimates, would reduce the net² expenditure level for 1968 from \$117,682,600, as proposed by the Secretary-General, to \$112,501,800.

5. Member Governments contributing to the budgets of other organizations in the United Nations family may be interested to know the broad context within which the 1968 estimates for regular activities of the United Nations are presented. Comparative figures for the years 1963 to 1968 are given in table 1. Member States' contributions to the United Nations family of organizations during 1966 amounted to approximately \$267.8 million as compared with assessed contributions of \$298.4 million for 1967 and estimated requirements of \$324.2 million for 1968.

6. In addition to the foregoing, Member Governments are urged to contribute to a number of voluntary

programmes: the United Nations Development Programme; the United Nations Children's Fund; the voluntary funds of the High Commissioner for Refugees; the United Nations Relief and Works Agency for Palestine Refugees in the Near East and the United Nations Institute for Training and Research. In 1966 the total contributions paid or pledged by Governments towards these programmes amounted to approximately \$220.5 million. Pledges announced or foreseen for the same purposes in 1967 are expected to amount to \$225.7 million. Member Governments are also contributing to a number of specific activities, of which pertinent details can be found in the chapter on Trust Funds contained in the financial report of the Secretary-General for the year ended 31 December 1966, paragraphs 21 to 43, and the relevant schedules attached to the accounts for that year.

7. Furthermore, reference should be made to the United Nations Peace-keeping Force in Cyprus set up for a period of three months by resolution 186 (1964) adopted by the Security Council on 4 March 1964. Since then the mandate of the Force has been extended by subsequent resolutions of the Security Council, the most recent being resolution 238 (1967) of 19 June 1967 which provided for an extension from 26 June 1967 to 26 December 1967. The costs of the Force are being met by Governments providing contingents, by the Government of Cyprus and by voluntary contributions (resolution 186 (1964), paragraph 6). The operating costs of the Force, to be paid by the United Nations, and the estimated amounts claimed or to be claimed by Governments providing contingents as reimbursement of part of their extra costs from the United Nations from the inception of the Force, 27 March 1964 to 26 December 1967, are estimated to amount to \$79,905,000 as set forth in the report by the Secretary-General to the Security Council of 13 June 1967 (S/7969). In this connexion, reference is made to the observations contained in the Committee's report of last year³ to the effect that the estimates do not represent the full cost of the operation. As at 8 June 1967, forty-three Member Governments and four non-Member Governments had pledged a total of \$63,715,630 to the Special Account for UNFICYP; a further amount of approximately \$320,000 had been received from public contributions, income earned on investment of temporary surplus funds, and net gains on exchange.

8. The Organization will incur limited expenses during 1967 in connexion with the liquidation of claims

¹ *Official Records of the General Assembly, Twenty-second Session, Supplement No. 5 (A/6705).*

² Throughout the remainder of this report figures are given on a gross basis, unless otherwise stated.

³ *Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307), para. 6.*

Table 1
COMPARATIVE EXPENDITURES, APPROPRIATIONS AND ESTIMATES OF THE UNITED NATIONS FAMILY
OF ORGANIZATIONS FOR THE YEARS 1963-1968

	1963 actual expenses	1964 actual expenses	1965 actual expenses	1966 actual expenses	1967 appropri- ations	1968 appropri- ations or estimates	1968 increase or (decrease) by comparison with 1967	1968 percentage increase or (decrease) by comparison with 1967
United Nations	\$ 92,195,880	\$ 102,948,977	\$ 107,111,392	\$ 118,607,969	\$ 129,236,930	\$ 141,619,300	\$ 12,382,370	9.58
International Labour Organisation	14,515,983 ^a	16,977,156 ^b	21,455,204 ^c	23,523,903 ^d	26,523,125 ^e	29,081,480 ^e	2,558,355	9.65
Food and Agriculture Organization of the United Nations	16,776,263	18,040,712	20,931,333 ^e	24,431,761 ^e	25,967,239 ^e	30,287,100 ^e	4,319,861	16.63
United Nations Educational, Scientific and Cultural Organization	19,723,056	21,281,588	24,806,648 ^f	26,129,481 ^g	30,355,174 ^h	31,150,966 ^h	795,792	2.62
International Civil Aviation Organization ..	5,843,913 ⁱ	6,120,023 ⁱ	6,398,120 ⁱ	7,561,250 ^j	7,125,221 ^k	7,096,317	(28,904)	(.40)
Universal Postal Union	784,349	1,157,080	1,133,918	1,308,093	1,594,815	1,643,958 ^k	49,143	3.08
World Health Organization	29,783,550 ^m	33,869,165 ^m	42,054,226 ⁿ	48,204,153 ⁿ	58,097,380 ^{n o}	62,614,482 ^{n o}	4,517,102	7.77
International Telecommunication Union	4,103,032	4,095,012	4,900,716 ^p	6,205,405 ^p	6,075,138 ^p	6,476,023 ^p	400,885	6.60
World Meteorological Organization	867,528	1,078,434	1,501,266 ^r	1,978,496 ^r	3,129,221 ^{r s}	2,883,443 ^r	(245,778)	(7.86)
Inter-Governmental Maritime Consultative Organization	447,522	477,011	918,362	851,282	820,766	864,355	43,589	5.31
International Atomic Energy Organization ..	6,893,613	7,287,179	7,875,184 ^u	8,984,104 ^t	9,491,500 ^u	10,477,000 ^u	985,500	10.43
TOTAL	191,934,689	213,332,337	239,086,369	267,785,901	298,416,509	324,194,424	25,777,915	8.64

NOTE: The following rates of exchange have been used in the above table: Canadian dollars at par; Swiss francs 4.32 = \$US 1.00.

^a Excluding staff assessment and \$483,525 spent in that year but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement through the 1965 budget.

^b Excluding staff assessment and \$364,064 spent in that year but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement through the 1966 budget.

^c Including staff assessment estimated at \$2,284,261 in 1965; \$2,577,661 in 1966, \$3,206,125 in 1967 and \$3,400,000 in 1968.

^d Excluding \$540,067 spent in that year but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement through the 1968 budget.

^e Net of staff assessment—\$2,687,054 in 1965 and \$3,347,482 in 1966. Estimated \$3,670,000 in 1967, and \$3,770,000 in 1968.

^f As at 31 December 1966 appropriations in 1965-1966, including advances from the Working Capital Fund and donations, stood at a total of \$51,019,714, of which \$24,806,648 represented expenditures in 1965 and \$26,129,481 expenditures in 1966.

^g Excluding staff assessment: \$2,406,180 in 1965; \$2,447,926 in 1966.

^h Estimates. Excluding staff assessment—\$3,272,410 in 1967; \$3,362,374 in 1968.

ⁱ Including staff assessment: \$757,789 in 1963; \$794,794 in 1964; \$841,471 in 1965; \$965,333 in 1966; \$930,679 in 1967 and \$947,564 in 1968.

^j Includes \$600,000 relating to the Organization's share in the cost of new premises

for the European Regional Office authorized in respect of 1966 only, and \$300,000 for the revised emoluments of professional and higher categories of staff, implemented in 1966.

^k Excluding staff assessment estimated at \$230,000 in 1968.

^l Excluding undistributed reserves—1963: \$2,149,570; 1964: \$2,223,130; 1965: \$2,521,370; 1966: \$2,615,590; 1967: \$3,448,040; 1968: \$3,742,580.

^m Includes contributions to the Malaria Eradication Special Account in the amount of \$4,000,000 in 1963 and \$5,363,000 in 1964.

ⁿ Including staff assessment—\$3,708,159 in 1965; \$4,764,476 in 1966; \$6,021,780 in 1967; and \$6,491,482 in 1968.

^o Includes \$2,415,000 for smallpox eradication.

^p Excluding staff assessment estimated as follows: \$749,000 in 1965; \$810,000 in 1966; \$800,000 in 1967 and \$820,000 in 1968.

^q Including staff assessment: \$162,900 in 1965, \$183,520 in 1966, \$189,092 in 1967 and \$295,034 in 1968.

^r Including an amount of \$85,154 for 1965, \$271,997 for 1966 and \$1,142,848 for 1967 as a New Development Fund, established by the WMO Congress, for the implementation of a World Weather Watch, in response to resolutions 1721 (XVI) and 1802 (XVII) of the General Assembly of the United Nations.

^s Excluding staff assessment: \$917,333 in 1965; \$986,700 in 1966; \$1,121,500 in 1967 and \$1,189,500 in 1968.

^t Including supplementary appropriation \$240,104.

^u Subject to approval by the General Conference, September 1967.

arising from damages caused by the United Nations Operation in the Congo (ONUC) and the closing of accounts in an estimated amount of not more than \$10,000. Information regarding the financial aspects of the situation of the United Nations Emergency Force (UNEF) as at 1 June 1967 is not available. It is also not possible at this time to forecast the total financial requirements during 1967 for this operation. The General Assembly by resolution 2194 B (XXI) of 16 December 1966 appropriated an amount of \$14 million for UNEF for 1967.

NATURE AND SCOPE OF THE ADVISORY COMMITTEE'S BUDGET EXAMINATION

9. In its review of the 1968 estimates, the Advisory Committee has examined in detail the justifications of all the requirements submitted by the Secretary-General. It has taken into account extensive oral and written information received from the Secretary-General, the Controller, the Under-Secretaries concerned and other officials, and has given attention to administrative and operational practices that affect the estimates.

10. The Committee had before it, and has reported separately on, the progress report of the Administrative Committee on Co-ordination⁴ on the implementation of the recommendations of the *Ad Hoc* Committee to Examine the Finances of the United Nations and the Specialized Agencies as contained in its second report to the General Assembly at its twenty-first session (A/6343). The Committee is interested, as a part of its general work programme in following the implementation of these recommendations with a view to improving methods of administration, management and co-ordination.

⁴ E/4337, paras. 122 to 135.

11. Detailed comments on the individual sections of the budget estimates will be found in Chapter III of this report, which contains the Committee's specific recommendations concerning the amounts to be appropriated. Draft resolutions for the 1968 budget, for unforeseen and extraordinary expenses and for the Working Capital Fund are included in Chapter II of this report.

12. The balance of this chapter is devoted, in the first instance, to a general comparison of the 1968 estimates with the 1967 appropriations, including an indication of the main factors leading to the increase in the estimates for 1968. In addition, the Committee deals with a number of selected questions which arose in the course of its review.

COMPARISON OF 1968 ESTIMATES WITH 1967 APPROPRIATIONS

13. Table 2 below gives a comparison of the Secretary-General's estimates for 1968 and the 1967 appropriations, section by section.

14. The Advisory Committee wishes to stress, however, that the initial estimates for 1968 and the 1967 appropriations are subject to modification as a result of decisions to be taken by the General Assembly at its twenty-second session.

Additional requirements foreseen by the Secretary-General in 1967

15. As regards the 1967 requirements, the Advisory Committee has reviewed expenditure as of the end of April 1967 and has received information on the projection of expenditures for the remainder of the year. The 1967 appropriations did not include provision for

Table 2

COMPARISON OF 1966 ADJUSTED EXPENSES, 1967 ADJUSTED APPROPRIATIONS AND 1968 ESTIMATES

<i>Budget parts and sections</i>			<i>1966 adjusted expenses</i>	<i>1967 adjusted appropriations</i>	<i>1968 estimates</i>	<i>1968 increase or (decrease) by comparison with 1967</i>
			\$	\$	\$	\$
<i>Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</i>						
Section	1.	Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies	962,295	1,236,750	1,235,000	(1,750)
Section	2.	Special meetings and conferences	1,110,868	1,818,150	2,633,400	815,250
TOTAL, PART I			2,073,163	3,054,900	3,868,400	813,500
<i>Part II. Staff costs and related expenses</i>						
Section	3.	Salaries and wages	52,776,924	56,144,400	60,354,000	4,209,600
Section	4.	Common staff costs	12,254,740	13,354,400	14,092,000	737,600
Section	5.	Travel of staff	1,921,145	2,014,230	2,291,200	276,970
Section	6.	Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; Hospitality	111,383	121,000	125,000	4,000
TOTAL, PART II			67,064,192	71,634,030	76,862,200	5,228,170
<i>Part III. Premises, equipment, supplies and services</i>						
Section	7.	Buildings and improvements to premises ..	4,298,239	4,930,700	4,842,200	(88,500)
Section	8.	Permanent equipment	521,604	633,900	625,000	(8,900)
Section	9.	Maintenance, operation and rental of premises	3,911,175	3,981,500	4,146,800	165,300

The budget estimates for 1968

Table 2

COMPARISON OF 1966 ADJUSTED EXPENSES, 1967 ADJUSTED APPROPRIATIONS AND 1968 ESTIMATES (continued)

<i>Budget parts and sections</i>		<i>1966 adjusted expenses</i>	<i>1967 adjusted appropriations</i>	<i>1968 estimates</i>	<i>1968 increase or (decrease) by comparison with 1967</i>
		\$	\$	\$	\$
Section 10.	General expenses	5,183,863	5,124,600	5,710,900	586,300
Section 11.	Printing	1,671,770	1,835,900	1,688,300	(147,600)
	TOTAL, PART III	15,586,651	16,506,600	17,013,200	506,600
<i>Part IV. Special expenses</i>					
Section 12.	Special expenses	8,960,519	9,134,200	9,097,600	(36,600)
	TOTAL, PART IV	8,960,519	9,134,200	9,097,600	(36,600)
<i>Part V. Technical programmes</i>					
Section 13.	Economic development, social development and public administration	6,104,779	6,105,000	6,400,000	
Section 14.	Human rights advisory services	198,483	220,000		
Section 15.	Narcotic drugs control	66,762	75,000		
	TOTAL, PART V	6,370,024	6,400,000	6,400,000	
<i>Part VI. Special missions and related activities</i>					
Section 16.	Special missions	5,928,992	4,802,700	4,685,800	(116,900)
	TOTAL, PART VI	5,928,992	4,802,700	4,685,800	(116,900)
<i>Part VII. Office of the United Nations High Commissioner for Refugees</i>					
Section 17.	Office of the United Nations High Commissioner for Refugees	3,092,041	3,233,000	3,499,000	266,000
	TOTAL, PART VII	3,092,041	3,233,000	3,499,000	266,000
<i>Part VIII. International Court of Justice</i>					
Section 18.	International Court of Justice	1,103,429	1,149,900	1,248,100	98,200
	TOTAL, PART VIII	1,103,429	1,149,900	1,248,100	98,200
<i>Part IX. United Nations Conference on Trade and Development</i>					
Section 19.	United Nations Conference on Trade and Development	5,450,215	7,407,000	9,743,000	2,336,000
	TOTAL, PART IX	5,450,215	7,407,000	9,743,000	2,336,000
<i>Part X. United Nations Industrial Development Organization</i>					
Section 20.	United Nations Industrial Development Organization	2,978,743	5,914,600	9,202,000	3,287,400
	TOTAL, PART X	2,978,743	5,914,600	9,202,000	3,287,400
	TOTAL	118,607,969	129,236,930	141,619,300	12,382,370
	<i>Less: Income other than staff assessment</i>	<i>7,404,121</i>	<i>7,315,326</i>	<i>8,936,700</i>	<i>1,621,374</i>
		111,203,848	121,921,604	132,682,600	10,760,996
Income from staff assessment for credit to Member States through the Tax Equalization Fund		12,519,168	13,249,800	15,000,000	1,750,200
	NET EXPENDITURE LEVEL	98,684,680	108,671,804	117,682,600	9,010,796

certain commitments since entered into under the terms of General Assembly resolution 2243 (XXI) of 20 December 1966, dealing with unforeseen and extraordinary expenses in 1967. During the first five months of 1967 these commitments were as follows:

(1) Those incurred with the prior concurrence of the Advisory Committee:

(a) The meeting of the Legal Sub-Committee of the Committee on the Peaceful Uses of Outer Space in Geneva;

(b) Implementation of resolution 2 (XXIII) of the Commission on Human Rights, and expenditures for the *Ad Hoc* Working Group of Experts to investigate charges of ill-treatment of prisoners in South Africa established by that resolution;

(c) The meetings of a sub-committee of the Special Committee on the Policies of Apartheid of the Government of the Republic of South Africa, and costs of the visit of the Chairman of the Special Committee on the Policies of Apartheid of the Government of the Republic of South Africa and one staff member to London and Paris.

(2) Those incurred for the International Court of Justice under the terms of paragraph 1 (b) (v) of General Assembly resolution 2243 (XXI).

(3) Those incurred, in accordance with General Assembly resolution 2034 (XX) of 7 December 1965, in respect of United Nations assistance in cases of natural disaster.

(4) Those to be incurred in accordance with General Assembly resolution 2248 (S-V) of 19 May 1967 on the Question of South West Africa. Total expenditures for these purposes are estimated at approximately \$528,000.

16. The application of the staff rules and regulations will result in additional requirements during 1967. A revision in the post classification for professional staff in New York was implemented effective 1 June 1967. At Geneva, Santiago and certain other offices increases in general service and manual worker salary and wage rates have taken place or are expected to occur during the remainder of 1967.

17. Substantial additional requirements are anticipated as a result of the expansion of staff needs for UNIDO as well as the costs of moving UNIDO to Vienna. The very heavy schedule of meetings of the Security Council during May and June 1967 and the Fifth Emergency Special Session of the General Assembly will also affect the 1967 budgetary position.

18. Finally, additional requirements are foreseen as a result of: increased consumption of internal reproduction supplies, higher costs for postage, telephone and cable services, and the rental and maintenance of office equipment; the need to provide for additional staff (on a temporary basis) in order to enable the Secretary-General to bring up to date the Repertory of Practice of the United Nations and to work on the preparation of the Repertory of the Rules of Procedure of the General Assembly; the provision of adequate verbatim records for the First Committee; and increased costs for contractual services and utilities at Headquarters, Geneva, ECAFE and ECLA.

19. The Secretary-General has indicated that certain reductions will occur in the requirements for 1967 under Section 2 as a result of the decision of the

General Assembly (resolution 2250 (S-V)) to postpone the International Conference on the Exploration and Peaceful Uses of Outer Space.

20. On the basis of the forecast made at the end of May 1967 which excluded the anticipated expenditures referred to in paragraph 17 above, the Secretary-General estimates that net additional requirements for 1967 could amount to \$1.7 million.

21. Requirements for 1967 will be re-examined at a later date and supplementary estimates may be submitted to the General Assembly at its twenty-second session and for review by the Advisory Committee.

Additional requirements foreseen by the Secretary-General in 1968

22. In connexion with the 1968 estimates, the Secretary-General in his foreword has already indicated that they are "subject to review in due course in the light of additional requirements which may arise as a result of decisions to be taken by the Economic and Social Council at its forty-second and forty-third sessions or by the General Assembly at its twenty-second session". Additional requirements which can already be foreseen by the Secretary-General include those related to proposals for new activities as contained in the Report of the Commission on Human Rights (E/4322 and Corr.1 and Add.1), and to the review of the emoluments and pensions paid to the members of the International Court of Justice to be submitted to the General Assembly at its twenty-second session.

23. As indicated in paragraph 3 above it is too early for the Secretary-General to give a precise indication of the extent to which these requirements will affect the estimates for 1968 and result in a larger increase for 1968 than is reflected in table 2 above.

Main factors in the increases proposed for 1968

24. Table 2 shows an increase of approximately \$12.4 million in the gross requirements for 1968 as compared with the 1967 appropriations. It is recognized that the 1967 appropriations include provisions of a non-recurring nature, such as amounts provided for the International Conference on Human Rights (\$125,000),⁵ the International Conference on the Exploration and Peaceful Uses of Outer Space (\$350,000),⁵ amounts provided for sessions of two Regional Economic Commissions (\$191,150) and other items covered in Section 2 of the budget estimates (\$405,000), amounts provided for the International Symposium on Industrial Development (\$586,500) and for initial costs related to the relocation of UNIDO Headquarters from New York to Vienna (\$500,000), and an amount of \$292,500 provided for the second session of the United Nations Conference on Trade and Development. The total for 1967 of all non-recurring items, including the above-mentioned, amounts to some \$3.3 million. On the other hand attention should be drawn to the fact that the 1968 estimates include non-recurring items in even larger amounts, such as the provisions for the second session of the United Nations Conference on Trade and Development (\$2,019,000), additional requirements for the International Conference on Human Rights (\$598,700), the International Conference of Plenipotentiaries on the Law of Treaties (\$430,000),

⁵ Deferred to 1968.

the International Conference on the Exploration and Peaceful Uses of Outer Space (\$330,000), the International Conference on the Revision of the Convention on Road Traffic and of the Protocol on Road Signs and Signals (\$268,700). The total of all non-recurring items in 1968, including the above-mentioned, is estimated at some \$4.4 million.

25. Details of the differences between the 1968 estimates and 1967 appropriations—section by section—are to be found in the table preceding the Secretary-General's expenditure estimates for 1968. The main factors in the increase proposed for 1968 by the Secretary-General are as follows:

(a) Special meetings and conferences	\$ 815,250
(b) Estimated additional cost of continuing into 1968 the establishment approved under Section 3 for 1967	1,640,000
(c) Estimated cost of additional posts requested under Section 3 for 1968	2,231,000
(d) Non-recurrent additional temporary assistance requirements in 1968 (\$300,000 for repertoires), off-set by decreases under normal headings	265,000
(e) Increased requirements for travel of staff, including \$225,400 for larger number of staff entitled to home leave	276,970
(f) Additional requirements for maintenance, operation and rental of premises (\$165,300) and for general expenses (\$586,300)	751,600
(g) Estimated additional cost of continuing into 1968 the establishment approved for 1967 of the Office of the High Commissioner for Refugees	246,900
(h) Second session of the UNCTAD conference	1,723,500
(i) Estimated additional cost of continuing into 1968 the establishment approved for UNCTAD in 1967	533,500
(j) Estimated additional cost of new posts requested for UNCTAD for 1968	236,500
(k) Additional cost of locating UNIDO on a self-contained administrative basis in Vienna, together with a proposed strengthening of the substantive staff	3,287,400
(l) Other increases (net)	374,650
	<u>12,382,370</u>

FINANCIAL POSITION OF THE ORGANIZATION

26. The financial position of the Organization in respect of the regular budget, UNEF and ONUC as reported by the Secretary-General showed little change during 1966. At the beginning of 1966 the net liquid assets which consist of cash and current accounts receivable less current accounts payable, amounted to \$22,097,000. At the end of 1966 these assets totalled only \$7,413,000, notwithstanding the collection during 1966 of almost \$3 million of voluntary contributions from Member States "to assist the United Nations out of its financial difficulties". The decrease of \$15 million arose largely because of the substantial cash expenditures in 1966 in liquidation of prior years' obligations relating to the United Nations Emergency Force and the United Nations Operation in the Congo.

27. As a result, principally, of the extensive liquidation of prior years' obligations during 1966, the amount of unliquidated obligations as at 31 December 1966 was reduced to \$22,260,000, as compared to an amount of \$46,081,000 at 31 December 1965.

28. The balances recorded in surplus accounts as at 31 December 1966 totalled \$44,184,000 which represented an increase of \$4,053,000 during the year.

29. Unpaid balances of assessed contributions to the regular budget, UNEF and ONUC showed an increase of \$3,167,000 during 1966 and totalled \$170,737,000 as at 31 December 1966, as follows:

	<i>Increase (decrease) during 1966</i>	<i>Totals as at 31 December 1966</i>
	\$	\$
United Nations regular budget	(4,760,000)	36,319,000
UNEF	8,038,000	52,224,000
ONUC	(111,000)	82,194,000
TOTALS	<u>3,167,000</u>	<u>170,737,000</u>

30. The Advisory Committee understands that the Secretary-General will provide information on the financial position of the Organization when he presents his budget estimates to the Fifth Committee at the twenty-second session of the General Assembly.

POLICY GOVERNING THE 1968 ESTIMATES

31. In presenting his budget estimates for 1968, the Secretary-General has explained that while he considers some addition to the existing establishment necessary in the light of the continuing growth in the Organization's activities, more particularly in segments of the economic, social and human rights fields, he intended to allow such an addition only after satisfying himself that existing resources were being both fully and effectively utilized for activities of a truly priority nature.

32. The Secretary-General has endeavoured, as far as was possible in view of the short time that has elapsed since the recommendations of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies were endorsed by the General Assembly, to take them into account in the preparation of his estimates.

33. In the light of these recommendations and as a further step towards the goal of presenting to Member States the programmes of activities against the background of available resources and *vice versa*, changes have been made in the form of the budget; in some measure these changes result in a departure from the concept of presenting the budget by objects of expenditure.

34. For the first time a separate section (Section 20) is included in the Secretary-General's budget estimates to provide for the United Nations Industrial Development Organization. The Secretary-General's 1967 estimates for UNIDO are contained in document A/6481 and the Advisory Committee's observations thereon in document A/6493.

35. Some of these main features, in particular the growth of staff, the form of the budget, and the relation between the programme and the budget, are the subject of separate comment later in this chapter.

36. The Advisory Committee wishes to express its satisfaction that the Secretary-General is among the first Executive Heads of the Organizations in the United Nations system to respond in a positive manner to the recommendations of the *Ad Hoc* Committee of Experts. The Committee is aware that the implementa-

tion of some of the recommendations is subject to experimentation in the first years. Experience gained in the United Nations may prove to be of value to the other organizations in their efforts to apply the wide range of suggestions and recommendations contained in the second report of the *Ad Hoc* Committee to the maximum possible extent and at the earliest possible time.

37. The Advisory Committee took note with concern of the statement of the Secretary-General in paragraph 19 of the Foreword to the budget estimates for 1968, that the conference programme and its attendant documentation needs have shown no signs of abatement, and that the meetings programme at Headquarters and Geneva in 1967 will certainly exceed that in 1966. Moreover, some seven special conferences of major proportions were scheduled for 1968, as compared to five such conferences in 1967. In this connexion, the Committee expresses the hope that the Committee on Conferences established on an experimental basis by the General Assembly at its twenty-first session by resolution 2239 (XXI) will take this statement by the Secretary-General into account when formulating its recommendations on proposals for new conferences and meetings required under operative paragraph 7 of that resolution.

38. Finally, the Advisory Committee noted the statement of the Secretary-General in his Foreword to the 1968 budget estimates concerning the problem of reconciling programmes and resources. In paragraphs 22 to 25 of that document he says:

"22. ... There remains, however, a question of paramount importance to which a solution must be found if the full value of the proposals put forward by [the *Ad Hoc* Committee of Experts] is to be achieved. I have in mind the fundamental problem of reconciling the total work programme, as determined by resolutions of the main legislative organs of the United Nations, and the total resources which Member States are prepared to make available for its implementation. There continues to be a serious discrepancy between these two factors. As the sum total of the tasks imposed upon the Secretariat increases, criticism of the related rise in the level of the budget becomes more insistent. On the legislative plane, these conflicting approaches complicate rather than clarify the relationship between programme and budget. As far as the Secretary-General is concerned he is compelled, under these circumstances of budgetary stringency, to assume the heavy responsibility of reducing, on a sometimes arbitrary basis, the legitimate requests of departments and offices, with possible detriment to the proper implementation of the programmes for which they are responsible.

"23. The General Assembly and the Economic and Social Council have in recent years shown a growing awareness of this basic dilemma which faces the Organization. Thus, the report of the *Ad Hoc* Committee of Experts dealt at some length with both sides of the problem and its related recommendations concern, on the one hand, the need for co-ordination, long-term planning and programme evaluation, and, on the other, improved budgetary presentation, tighter controls and a closer relationship between budgetary and programme requirements generally.

"24. The need for reconciliation between programme and budget is particularly applicable to the activities in the economic and social field since these represent by far the major portion of expenditure within the United Nations budget and require close co-ordination with the work in this field undertaken by the various specialized agencies. While the programme requirements in these areas are clearly defined in the various resolutions adopted by the principal legislative bodies concerned, the level of resources needed to carry out these programmes has never been as clearly prescribed.

"25. In the case of certain activities, a solution has been sought by isolating the related expenses from the whole and by making separate budgetary provision. Apart from having the disadvantages on which my views are already known, the wider issues are in no way resolved by these initiatives. I attach far greater importance to the researches being undertaken on the more general aspects of programme in relation to resources. A considerable volume of information is made available by the Secretariat to assist in the examination of this question. It would, in my judgement, greatly facilitate the whole question of reconciliation between budgetary resources and work programmes if, as a result of these endeavours, the General Assembly could, at an early date, give some clearer guidance as to the rate of growth that it would be prepared to support in regard to these activities, either annually or over a longer period of time. Not only would such guidelines enable me to make a better and firmer assessment of annual budgetary requirements, with greater assurance that they will be generally acceptable, but legislative bodies will have the benefit of a financial framework within which to plan their work programmes and establish the necessary priorities."

39. The General Assembly may wish to address itself to this problem.

FORM OF THE BUDGET

40. When the General Assembly decided, by resolution 2049 (XX), to establish an *Ad Hoc* Committee of Experts to examine the finances of the United Nations and the Specialized Agencies to review, *inter alia*, the entire range of the budgetary problems of the United Nations family of organizations, one of the matters to which it made specific reference was the means of comparing and, if possible, standardizing their budgets. The *Ad Hoc* Committee considered this matter carefully and whereas it felt that such standardization was most desirable, it recognized that there were obstacles in its way because of differences in the functions and traditions of the various bodies. In fact, no two organizations have the same form of budget presentation; the *Ad Hoc* Committee recognized that some of them had sound reasons for continuing a conventional layout by object of expenditure while others had equally persuasive reasons for preferring a functional presentation by type of activity.

41. Pending a long-term study of the feasibility of standardization, the *Ad Hoc* Committee called for certain immediate measures designed to ensure greater clarity, facilitate control and co-ordination and provide certain data at present lacking in budget presentations.

42. The differences in the form of presentation of the various budgets are a reflection of the individual needs and working methods of policy-making bodies and of a desire of each of these bodies to receive the information and proposals in the form it finds most helpful in the performance of its task. This is one of the problems in connexion with uniform presentation. Another is the need felt by each organization to retain a certain measure of flexibility to alter its budget layout to suit changing programmes, priorities or organizational structure.

43. Efforts made by the Administrative Committee on Co-ordination and the Economic and Social Council over the years to develop common standards for budget presentation were described in detail in the Advisory Committee's report on the budget estimates for 1967.⁶ The Advisory Committee concludes that little progress has been made in this area. It has noted with interest, however, the modifications made in the form of the United Nations estimates for 1968 which the Secretary-General describes in his foreword as "a first systematic step towards the long-term study recommended by the *Ad Hoc* Committee of Experts on the possible standardization of budget presentation". These modifications are summarized in the paragraphs which follow.

44. All clearly identifiable direct costs for staff, supplies and services related to revenue-producing activities,⁷ which were previously included under the expenditure estimates in Sections 3, 4, 5 and 11, have been transferred to income sections 3 and 4 as a direct charge against the income derived from the relevant revenue-producing activities. As a consequence, a much clearer and more complete statement of the real outcome of the revenue-producing activities is provided. This form of presentation is also more in accord with the wishes expressed from time to time by the External Auditors.

45. In Section 12 (chapter X), a consolidated estimate has been included to cover the United Nations share of the costs of certain activities in the field of administrative and financial co-ordination which are paid for jointly by the organizations in the United Nations system. These costs were provided for in past years under Sections 1, 3 and 5.

46. In accordance with a suggestion made at the 1139th meeting of the Fifth Committee during the twenty-first session of the General Assembly, the 1968 budget estimates no longer contain a separate section for the United Nations Field Service. The staff of this service, which comprises administrative personnel, radio operators, mechanics and drivers, have been provided for mainly in the estimates of the various field missions under Sections 12 and 16. A small number of staff in training at Headquarters and radio operators associated with the United Nations radio network at Geneva, Bangkok and Addis Ababa, are provided for in the estimates for those offices, as contained in Sections 3, 4 and 5.

47. Since the estimates included under Section 3 are presented principally on an object of expenditure

basis and at the same time represent by far the largest single area of expenditure in the total budget, an attempt has been made, in conformity with the general recommendations of the *Ad Hoc* Committee of Experts, to present the 1968 estimates in a more informative manner by distributing them by major organizational units within the Secretariat. Such a distribution, in fact, tends to present these requirements by activity in the sense that each organizational unit represents a main activity. This new form of presentation will facilitate the task of Member States in reviewing the estimates under this important section of the budget.

48. The Advisory Committee would like to see the present distribution extended in the 1969 budget estimates to such items as common staff costs (Section 4), travel (Section 5) and printing (Section 11). Apart from moving further in the direction of programme budgeting as recommended by the *Ad Hoc* Committee, this would indicate in more complete form the total resources required by each of the organizational units to carry out its programme of work or to provide the necessary supporting services.

49. For the first time the Secretary-General has prepared a report on budget performance as recommended by the *Ad Hoc* Committee of Experts. The report in question (A/6666) relates to the financial year 1966. It was of considerable value to the Advisory Committee in the course of its examination of the 1968 budget estimates and the Committee looks forward to receiving a similar report in future years, with a somewhat more detailed breakdown of expenditures in the various chapters and sub-chapters.

50. Further, pursuant to the recommendations of the *Ad Hoc* Committee the Secretary-General has prepared annexes to the budget giving:

(a) The distribution, by main field of activity and object of expenditure of the actual expenditures for 1966, the approved appropriations for 1967 and the estimates for 1968; and

(b) An analysis of the posts required for the support of the various technical assistance programmes of the United Nations.

An annex showing the breakdown of expenditures into administrative costs, operational costs and general research and study costs, will be submitted at a later date. The Committee appreciated in particular the new presentation of annex I, which now gives comparisons over a three-year period.

51. The Advisory Committee welcomes the steps which have been taken by the Secretary-General to apply the recommendations of the *Ad Hoc* Committee regarding budget presentation and related matters. The preparation of separate submissions, providing information derived from the same basic material, for ACC, the Committee for Programme and Co-ordination, and the Advisory Committee, places a burden on the Office of the Controller, but the Committee would hope that this could be avoided by developing a common presentation to meet the needs of all of these bodies.

THE AUTHORITY OF SUBSIDIARY ORGANS TO TAKE DECISIONS INVOLVING EXPENDITURE

52. Since the early days of the Organization, one of the main weaknesses in its financial system has been that whereas the General Assembly is the sole ap-

⁶ *Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307)*, paras. 77-101.

⁷ United Nations Postal Administration, sale of publications, services to visitors and lecture tours, gift centre, souvenir shop and catering services.

propriating authority, the Organization's programme of work is drawn up piecemeal in the various commissions and committees. The Advisory Committee brought the problem of controlling expenditure arising from decisions taken by these bodies to the attention of the General Assembly as early as the second part of its first session, but despite repeated attempts to find a solution, the matter remains unresolved today.

53. In 1947 the Advisory Committee recommended that no council, commission or other competent body should take a decision involving expenditure unless it had before it a report from the Secretary-General on the administrative and financial implications of the proposal.

54. It also recommended that the councils should plan for the year ahead so that appropriations could be sought in the budget and be scrutinized by the Fifth Committee before coming before the General Assembly for approval. At the same time, the Advisory Committee recognized that certain expenditures related to peace and security measures would be an exception to the procedure it was recommending, as would, for a few years, some projects in the field of economic reconstruction. The Committee recommended that expenditure not contemplated under budget appropriations should not be incurred as a result of any resolution of a council, committee or subsidiary body thereof until the General Assembly had made the necessary appropriations, unless the Secretary-General certified:

(a) That the expenditure was necessary because it related to the maintenance of peace and security;

(b) That the expenditure was necessary because its urgency did not permit delay until the General Assembly could vote the appropriations required; and

(c) That funds could be made available either from existing appropriations or the Working Capital Fund.

55. These recommendations of the Advisory Committee resulted in the adoption by the General Assembly in 1947 of what has now become Financial Regulations 13.1 and 13.2. Neither of them has, however, led to any substantial reduction in the expenditures, often running into several millions of dollars, which occur year after year in respect of activities not provided for in the budget and to which the General Assembly can but give its *ex post facto* approval.

56. Concerned at this situation, the General Assembly at its fourteenth session, in resolution 1449 (XIV):

"... Desiring to restrict to a minimum additions to a total programme of work which has already been formulated for a given year and reflected in the main budget estimates submitted by the Secretary-General;

"[Requested] all organs of the United Nations to consider ways and means whereby new projects might be deferred until suitable provision for them can be made by the Secretary-General in the main budget estimates for a subsequent financial year, unless they are of major and urgent importance or unless they can be accommodated within approved expenditure levels by the postponement of projects of relatively low priority."

57. Little has come from this resolution. Organs have continued to regard all of their projects as of "major and urgent importance" whether or not provi-

sion has been made for them in the budget, and the Advisory Committee has frequently had occasion to call for greater restraint and discipline. It recommends that the General Assembly return to this matter at an early date.

58. In a number of cases, the Committee has had serious doubts as to whether the body concerned had the authority to incur the expenditure in question, or whether the expenditure could properly be financed under the General Assembly resolution relating to unforeseen and extraordinary expenses.

59. By way of example, in its report on the 1965 budget estimates⁸ the Committee recalled that:

"The exercise of such authority has been questioned by the Advisory Committee on at least two occasions during the early months of 1964 although in neither case was this the determining factor in its decision. In one case (a request for additional conference services by the Preparatory Committee of the United Nations Conference on Trade and Development) the Committee felt obliged to withhold its concurrence in the request for additional funds on the grounds that it did not come within the terms of the General Assembly resolution relating to unforeseen and extraordinary expenditure; in another (a request for additional funds to provide for travel by a sub-committee of the Special Committee on the situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples) the Committee's concurrence could not be obtained prior to the expenditure being incurred because the subsidiary body's decision was taken at short notice while the Committee was not in session. In both cases, however, the Advisory Committee had serious doubts as to whether the subsidiary body had the authority to incur the expenditure as requested."

60. During its twenty-third session, held in Geneva in March 1967, the Commission on Human Rights adopted a series of resolutions the object of which was to broaden the terms of reference of the Commission. Some are in the form of recommendations to the Economic and Social Council, some are decisions. One of the latter (resolution 2 (XXIII)) is of particular significance seeing that it involves expenditure of some \$325,000⁹ over and above approved appropriations. The Advisory Committee feels that this decision has brought two questions into sharp focus: first, does a functional commission have the authority to decide of its own accord to undertake activities not provided for in the budget and involving substantial expenditure; and secondly, can the expenditure resulting from this decision be legitimately considered as "unforeseen and extraordinary" in order that it may be financed during the current financial period?

61. As regards terms of reference, it should be noted that the Commission on Human Rights was established by the Economic and Social Council on 16 February 1946, to advise and assist it in the discharge of its responsibility in the field of human rights. The Council defined the Commission's functions as "submitting proposals, recommendations and reports to the

⁸ Official Records of the General Assembly, Nineteenth Session, Supplement No. 7 (A/5807), para. 35.

⁹ The estimate of expenditure was subsequently reduced to \$144,860.

Council" in connexion with a list of specific items. The Commission was also to make studies and provide information and other services at the request of the Council. It had authority to propose to the Council any charges in its terms of reference. Lastly, it could make recommendations to the Council concerning any sub-commission which it considered should be established.

62. On 21 June 1946, by resolution 9 (II), the Council amended its resolution of 16 February 1946 by broadening the list of specific items referred to above so as to include "any other matter concerning human rights", and by the addition of an authorization "to call in *ad hoc* working groups of non-governmental experts in specialized fields or individual experts, without further reference to the Council, but with the approval of the President of the Council and the Secretary-General".

63. It would appear from the foregoing that the Commission can only make recommendations to the Council and that any change in the Commission's terms of reference must have the prior approval of the Council. As regards the "*ad hoc* working group of experts composed of eminent jurists and prison officials" which the Commission decided to establish by resolution 2 (XXIII) of 6 March 1967, the Advisory Committee would be inclined to consider that both its composition and the task with which it was charged go somewhat beyond what was intended by the Council when it authorized the Commission to call in experts for advice.

64. As regards the cost of establishing the *ad hoc* working group of experts, the Advisory Committee does not believe that this was the type of expenditure which the General Assembly had in mind when it decided that appropriations it had approved could be exceeded in certain exceptional circumstances by reason of their "unforeseen and extraordinary" character.

65. While the Advisory Committee is not called upon to pass judgement on the substance of the examples given, it nevertheless considers it necessary to call the attention of the General Assembly to them.

66. The Advisory Committee is of the opinion that one of the main reasons for the kind of problem encountered is the absence of a sufficiently precise definition of the terms of reference of subsidiary bodies. Another is the latitude which is permitted by the existing text of the General Assembly resolution relating to unforeseen and extraordinary expenditure. A combination of these two factors has resulted in the financial control of the Fifth Committee and the General Assembly being circumvented.

67. The Advisory Committee recommends that main organs, when establishing or reviewing the terms of reference of subsidiary bodies, should give the most careful consideration to the tasks and the powers they delegate to these bodies, and define them clearly whenever they are likely to have financial implications. To fail to do so would be to disregard Financial Regulation 13.1.

68. It is apparent from some of the requests for additional funds which reach the Advisory Committee that the nature and extent of its authority to approve such requests are not always clearly understood. In this connexion it may be appropriate to recall what the

Committee said in its report on the 1965 budget estimates. It said:

"The Advisory Committee is not a sort of court of appeal in which appropriations approved by the General Assembly can be reconsidered. Its sole authority for concurring in an addition to the approved appropriations resides in the annual resolution adopted by the General Assembly with respect to extraordinary expenditures which were unforeseen at the time when the General Assembly approved the budget for the financial year in question. Under the terms of this resolution the Advisory Committee can only entertain requests for additional expenditure submitted by the Secretary-General. It cannot entertain requests presented directly by individual bodies. Further, any such requests submitted by the Secretary-General must be considered by him to fall within the category of 'unforeseen and extraordinary expenditures'. The Advisory Committee is of the opinion that such were the intentions of the General Assembly when it adopted regulation 13.2 of the Financial Regulations of the United Nations. While maintaining its prerogatives as sole appropriating authority, it recognized the necessity for special arrangements with respect to urgent and extraordinary calls which might be made upon the Organization's resources in the intervals between its sessions. The Committee does not have the authority to acquiesce in any other procedure which would exclude consideration of the budgetary implications of resolutions by the Committee, the Fifth Committee and the General Assembly."¹⁰

69. The main problem, however, remains; it is that the normal resolution relating to unforeseen and extraordinary expenditure has become a device for increasing the Organization's budget beyond its approved level.

70. It may be useful to recall in this connexion that the Organization's first budget contained a provision of \$250,000 for "unforeseen expenses". Such a provision was eliminated from the 1947 budget estimates and transfers from the Working Capital Fund were authorized under specified conditions. This was the beginning of the existing resolution relating to unforeseen and extraordinary expenses. At the time, one of the Advisory Committee's reasons for supporting the change was that the inclusion of such a credit in the budget might lead to a supposition that the appropriation was readily available. In practice, the availability of a sizeable Working Capital Fund has given rise to even greater expectations. The Committee stated, however, that the Secretary-General would be authorized to use the Working Capital Fund only for needs that were of a distinctly emergency or unforeseen character.¹¹

71. When it adopted resolution 68 C (I) on the Working Capital Fund for 1947, the General Assembly added foot-notes as follows:

"(1) The term 'Unforeseen Expenses' means expenses arising from, or incidental to, the carrying out of a programme in accord with General Assembly approved policies, which expenses were not foreseen when the estimates were made.

¹⁰ Official Records of the General Assembly, Nineteenth Session, Supplement No. 7 (A/5807), para. 39.

¹¹ Report of the Advisory Committee on the Working Capital Fund, 10 December 1946 (A/C.5/125).

"(2) The term 'Extraordinary Expenses' means expenses for items or objects outside the scope of the budget estimates, i.e., outside the programme on which the estimates were based."

72. Speaking before the Fifth Committee, at its 26th meeting on 16 November 1946, the Secretary-General gave, as an example of extraordinary expenses, funds used for some action resulting from measures taken by the Security Council, and, as an example of unforeseen expenses, increases in prices and wages (see document A/C.5/74 for the text of the Secretary-General's statement). In practice, however, as has been indicated earlier, the scope of these definitions has been considerably broadened, thus leading to a loosening of discipline and financial control.

73. The Advisory Committee recommends that the General Assembly give some thought to the question of "unforeseen and extraordinary" expenses at its twenty-second session. It may wish to consider modifying the text of the relevant resolution in such a manner as to include a definition of what is intended by "unforeseen and extraordinary" expenses, limiting them, as was recommended by the *Ad Hoc* Committee of Experts to examine the finances of the United Nations and the Specialized Agencies, to "clearly exceptional cases involving emergencies".¹²

RELATIONSHIP BETWEEN THE ADVISORY COMMITTEE AND THE COMMITTEE FOR PROGRAMME AND CO-ORDINATION

74. The President of the Economic and Social Council was good enough to transmit the report of the Committee for Programme and Co-ordination entitled "Work Programme of the United Nations in the economic, social and human rights fields and its budgetary requirements" (E/4383) to the Advisory Committee for its information. In his covering letter, the President stated that the Council had, for lack of time, decided to defer consideration of the report until its forty-third session commencing in July 1967. For the same reason, the Advisory Committee was unable in the few remaining days of its session, to give detailed consideration to the report.

75. The Advisory Committee noted, however, the wide range of subjects discussed by the Committee for Programme and Co-ordination and the comprehensive character of its report. During the first part of its first session, between 8 May and 1 June 1967, the latter Committee gave detailed consideration to those sectors of the work programme which relate to executive direction and management; economic development planning, projections and policies; natural resources; transport and communications; fiscal and financial questions; social development; population programmes; housing, building and planning; public information and human rights activities. The report indicates that in each of the above-mentioned sectors, the Committee examined the general objectives of the work as well as the work programme in the light of personnel and other resources.

76. After this sector-by-sector examination the Committee for Programme and Co-ordination made an overall survey of the work programme. It considered its own role in relation to the Economic and Social Council, other United Nations bodies dealing with pro-

grammes in the economic, social and human rights fields, the Administrative Committee on Co-ordination and the Advisory Committee.

77. While, for the reason stated in paragraph 74, the Advisory Committee is not in a position, at the present time, to offer detailed observations on the report of the Committee for Programme and Co-ordination as a whole, it does have a number of comments of a preliminary nature on the respective roles of the Advisory Committee and the Committee for Programme and Co-ordination and on the relationship between the two committees.

78. The functions of the Committee for Programme and Co-ordination are defined in general terms in operative paragraphs 3 and 4 of ECOSOC resolutions 1171 (XLI) and 1177 (XLI) of 5 August 1966. The Committee is to meet twice annually, first, to make a general examination of the United Nations work programme in the economic, social and human rights fields, devoting as appropriate detailed consideration each year to certain sections of that programme, and secondly, to deal with co-ordination of the activities of the specialized agencies and the IAEA and those of the United Nations.

79. The functions of the Advisory Committee are defined by the General Assembly in resolution 14 A (I) of 13 February 1946; they are to be found in the foreword to this report.

80. It is evident from their respective functions that the activities of the two committees are closely related. Programme and budget cannot be considered in isolation—programmes must be formulated in the light of available resources and the budget must be prepared on the basis of the programme to be financed. At the same time, however, neither committee should lose sight of its main task which remains, for the Committee for Programme and Co-ordination one of programme planning and co-ordination, and for the Advisory Committee one of administrative and budgetary management. The wide range of subjects of a general administrative character which were discussed by the Committee for Programme and Co-ordination at its recent session is clear evidence of the need for close co-operation between the two committees if their combined efforts are to be fruitful and if duplication is to be avoided.

81. The Committee for Programme and Co-ordination has recommended that the Advisory Committee should be invited to take into account its report or reports on the United Nations work programme when the Advisory Committee considers the Secretary-General's budget proposals. Further, the Committee for Programme and Co-ordination believes that the General Assembly should have the report or reports before it when it considers the estimates for the following budgetary period. The Advisory Committee will welcome these reports. Since the early days of the Organization it has repeatedly stressed the need for adequate machinery to deal with programme planning on a long-term basis and to establish a system of priorities in order to achieve a reconciliation between needs and resources. To date, the Advisory Committee has had to perform its task without such advice and it looks to the Committee for Programme and Co-ordination to give it this assistance through its reports. Such co-operation between the two committees would

¹² A/6343, para. 43.

eliminate one of the main weaknesses in the whole United Nations system.

82. It would appear that a rearrangement of the meetings schedule should be envisaged in the interest not only of co-ordinating the activities of the two Committees but also of giving the Office of the Controller more time to prepare the budget estimates. The timing of the meetings of the Advisory Committee is dependent to a large extent upon the date of submission of the budget estimates. In order to meet its obligations to the General Assembly, it must commence its summer session in June, and it proposes to revert to its former practice of meeting at the end of the first week of June. The Advisory Committee notes that the Committee for Programme and Co-ordination proposes to convene in April when it would analyse and assess the United Nations programmes, and establish priorities within these programmes, for the following budgetary period. The estimates for that period would not be available at that time but the Advisory Committee believes that the Committee for Programme and Co-ordination could perform its task in a satisfactory manner by taking as a general budgetary framework the approved appropriations for the current year. In this way, the Advisory Committee would have before it the views of the Com-

mittee for Programme and Co-ordination on programmes and priorities when it examined the budget estimates in June. The Advisory Committee believes that this kind of timetable would permit a greater measure of reconciliation between budgetary resources on the one hand and programmes on the other. It would also be a step forward if the budgetary level for a particular year could be set in such a way that the Economic and Social Council could be informed that there was room to absorb within such a level small additional items, and that there was therefore no need to revise the initial estimates unless the Council were to propose some new activity of major budgetary consequence, such as a special conference or a completely new and significant programme of work.

GROWTH OF STAFF

83. In his budget estimates for 1968, the Secretary-General has asked for 524 more staff in the professional, general service, manual and local grades in Section 3 (Salaries and Wages), Section 19 (UNCTAD), Section 20 (UNIDO) and Income section 4 (Revenue-producing activities). The new posts would be distributed as follows:

	Professional	General Service	Local and manual	Total
Headquarters (excluding revenue-producing activities)	107	113	—	220
Geneva (excluding ECE)	14	24	4	42
Regional Commissions (including ECE and United Nations Economic and Social Office, Beirut)	29	5	79	113
Information Centres	—	—	10	10
UNCTAD	12	13	—	25 ^a
UNIDO	33	25	47	105
Revenue-producing activities ..	10	(1)	—	9
	205	179	140	524

^a Including other offices of the United Nations at Geneva and New York which provide services to UNCTAD.

84. If these requests were approved, the total strength (professional, general service, manual and local posts) of the United Nations as reflected in all sections of the 1968 budget estimates would be 8,102 as against 7,476 in 1967, 6,964 in 1966 and 6,481 in 1965.

85. The Advisory Committee is concerned at the magnitude of staff increases requested year after year. While recognizing that new demands made on the Organization require some strengthening of the staff from time to time, the Committee attempts, before concurring in requests placed before it, to satisfy itself that the existing staff resources are fully utilized. It is not in a position to make detailed studies of staff utilization, and in its evaluation of staff needs it must rely largely upon the information it receives from the Secretary-General and his representatives. The report prepared by the Secretary-General on the work programme in the economic and social fields, together with an assessment of staff resources expressed in man-months required to carry out the programme (E/4331 and Add.1-18), was useful to the Committee as a broad

indication of the situation in the main substantive areas. It would, however, need much more information before it could judge whether or not existing staff were fully engaged. It would, for example, wish to know how staff are redeployed when a particular activity is completed or discontinued.

86. One factor was, however, particularly significant in the Committee's assessment of the current situation—the number of vacancies in the Secretariat from one year to the other. In May 1967, there were 160 vacancies in the professional category alone under Section 3, more than the number of new posts requested by the Secretary-General in that Section for 1968. Having this in mind, together with the fact that staff leave the Secretariat almost as fast as new ones are recruited, the Committee felt obliged to make a substantial reduction in the Secretary-General's request. Instead of the 292 new posts requested under Section 3 of the budget estimates it recommends approval by the General Assembly of 86 posts for that Section. Details of the Committee's recommendation are to be found

in Section 3, paragraphs 164 to 180, in Chapter III of this report.

87. The Committee has also recommended a reduction in the staff increases requested by the Secretary-General for UNCTAD and UNIDO in Sections 19 and 20 respectively. As has been indicated in paragraph 83 above, 25 new posts (12 professional and 13 general service) are requested for UNCTAD in Section 19 of the budget estimates and 105 (33 professional, 25 general service and 47 local level) for UNIDO in Section 20 of the estimates. In considering these requests the Advisory Committee found that, as with Section 3, there were vacancies in UNCTAD, and more particularly in UNIDO where there were 47 professional and 25 general service vacancies in June 1967. Taking this factor into account, as well as existing recruitment problems in the case of highly specialized staff, it is evident that it will not be possible to fill these posts and the new ones requested for 1968 by the end of that year. The Committee also noted that the proposed establishment for UNIDO in 1968 was almost identical to that of UNCTAD after three years' existence. In recommending a sizable reduction in the number of new posts requested for 1968, the Committee is satisfied that this will in no way impede the installation and operation of UNIDO at its permanent headquarters.

88. The Advisory Committee has noted that global sums are requested in various sections of the budget estimates each year for local level posts which are not shown as part of the total establishment. A total of 1,095 such posts are requested for 1968. The Committee understands that these posts include not only custodial and maintenance staff, recruited locally, for the regional economic commissions and other field stations, but also manual workers at certain locations. The Advisory Committee does not doubt the need for such staff, nor does it disagree with the practice of recruiting them locally, but it is concerned first that their number increases every year and secondly that justification for them in the budget estimates is scant. It trusts that more information on these posts will be provided in connexion with the 1969 budget estimates, and that their numbers will be included in the various personnel tables provided. As regards annex IV to the budget estimates giving the distribution by category and level of established posts requested for all offices in 1968, the Committee suggests that consideration be given to the inclusion in this annex in future of all posts (professional, general service, manual and local) requested by the Secretary-General together with those which were authorized for each of the previous two years.

DOCUMENTATION

89. The financial and administrative difficulties caused by the ever-increasing volume of documentation have long been viewed with concern by the Advisory Committee. In its sixth report to the General Assembly at the latter's twenty-first session¹³ the Committee analysed the developments which had taken place in the preceding year, and in particular the measures suggested by the Secretary-General in a note (E/4157) to the Economic and Social Council at its

fortieth session "designed to reduce to more manageable proportions the volume of documentation requiring the Council's attention at any particular session or to make such documentation better suited to the Council's needs", and also the recommendations proposed by the consultant who had studied the production and distribution of documents originating in the United Nations Secretariat and relating to the work of ECOSOC.

90. It may be useful to recall that the Secretary-General proposed, *inter alia*, to have some of the subsidiary bodies meet less frequently, to submit reports dealing with technical matters at longer intervals, and to dispense with some reports on operational programmes.

91. The consultant concluded that the major problems as regards documentation were the failure of the authors of documents to submit their texts in good time, the heavy meetings schedule, and the ever-increasing volume of documentation, more particularly in the economic, social and human rights fields. In his view, staff increases would not solve the problem of the late distribution of documents. Production costs were high and the supply of skilled staff was limited. The consultant therefore urged better planning, the elimination of unfruitful work and more effective controls combined with improved co-ordination between all services involved. Among his recommendations were the following:

(a) Arrangements should be made in the Department of Economic and Social Affairs to ensure proper scheduling of documentation and submission of texts according to such scheduling, as well as the control of drafting standards and the length of documents;

(b) Measures should be taken by the Office of Conference Services to effect better control over the vast production machine and to bring the stenographic and language staff up to full strength;

(c) There should be more effective co-ordination between the Department of Economic and Social Affairs and the Office of Conference Services.

92. By the time the Committee received the above-mentioned reports, the Secretary-General had already taken certain steps to improve production and distribution of documents. In particular a central point had been established in the Department of Economic and Social Affairs with responsibility for co-ordinating the preparation and submission of documents to the Office of Conference Services.

93. In its conclusions and recommendations the Advisory Committee endorsed the measures recommended by the Secretary-General in document E/4157 and took note of the proposals by the consultant. It expressed the view that the approach used by the Secretary-General in document E/4157 should be applied towards the other organs as well, including the General Assembly. It endorsed the recommendations of the Committee on the Control and Limitation of Documentation¹⁴ which had called, *inter alia*, for more careful drafting and editing and the elimination of non-essential material, including summary records, where appropriate. Lastly, the Committee recommended that the General Assembly "might wish to consider limiting

¹³ Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307) paras. 52-68.

¹⁴ *Ibid.*, Thirteenth Session, Annexes, agenda item 51, document A/3888.

the use of verbatim records and the advisability of keeping the length of summary records within a specified maximum".

94. The proposals by the Secretary-General together with the Advisory Committee's comments referred to above were considered by the Economic and Social Council at its forty-first session. In resolution 1154 (XLI) "Documentation" the Council endorsed the Secretary-General's proposals as contained in paragraphs 9 to 15 of document E/4157. It requested the Secretary-General:

"(c) To submit to the Council in 1967 further proposals designed to reduce the volume or to improve the conciseness of documentation requiring the Council's consideration."

95. The problems caused by the volume of documentation were also considered by the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. In its second report to the General Assembly at the latter's twenty-first session (A/6343) the *Ad Hoc* Committee noted (paragraph 97 (c)) that "the annual reproduction capacity at Headquarters based on existing manning table and equipment (approximately half a billion impressions) has already been reached and it is expected that it will be reached at Geneva (approximately one-third of a billion impressions) in 1967; at the same time there is a provision in the United Nations 1967 budget estimates of almost \$2 million for contractual printing".

96. The *Ad Hoc* Committee went on to say (paragraph 100) that "the volume of documentation has increased to an even greater extent than the number of conferences and meetings, and frequently it has been undertaken only at the price of serious disruption of regular work; in other cases the quality of the documentation has suffered".

97. The *Ad Hoc* Committee recommended in paragraph 104 (f) of its report that:

"The Member States of the United Nations and the specialized agencies be urged to spare no effort in reducing substantially their requests for all conference documentation, so as to facilitate the possibility of presenting it at the most opportune time, in a concise form and in the most economic way, avoiding all unnecessary expenses; that whenever possible the Chairman should encourage the holding of meetings without verbatim or summary records since... this would lead to a substantial reduction in services and documentation;"

98. The views of the Advisory Committee and of the *Ad Hoc* Committee of Experts were before the General Assembly at its twenty-first session. In resolution 2247 (XXI) the General Assembly requested the Secretary-General to instruct the Publications Board:

"(a) To review the present practice of preparation and publication of Official Records and Supplements and Annexes of all organs of the United Nations, with the aim of determining whether any economy can be achieved;

"(b) To review the publications programme in order to ascertain whether publications, studies and reports are prepared in accordance with pertinent resolutions of the General Assembly and other policy-

making bodies, as well as to determine whether any publication may have lost its usefulness or become redundant;

"(c) To study the documentation of the Organization with a view to suggesting possible ways and means of achieving possible economy both in extent and cost;

"(d) To harmonize the publications programme of the United Nations with those of the specialized agencies and the International Atomic Energy Agency, with a view to eliminating possible duplication".

99. The Secretary-General was further requested to submit a preliminary report to the Advisory Committee at its summer session and to report to the General Assembly at its twenty-second session.

100. The General Assembly also asked the Secretary-General "to ensure... that documents submitted to the United Nations organs should be available to the Member States in sufficient time and simultaneously in the working languages envisaged by various internal regulations".

101. The Advisory Committee has received from the Secretary-General a preliminary report, setting out the Publications Board's observations and recommendations on each of the questions raised by the General Assembly in resolution 2247 (XXI). It considers that some of the Board's provisional recommendations, more particularly those designed to reduce the volume and length of summary records, to limit reproduction by the Secretariat of original speeches *in extenso*, to limit the number of supplements and annexes which are normally printed, are a step in the right direction and deserve full consideration. In general, however, it would prefer to see the recommendations drafted as standards, even if this were to mean that the rules of procedure of certain organs had to be modified. As regards summary records, the Advisory Committee believes that much can be done. A useful lead has been given by the Industrial Development Board in deciding that its summary records would not be printed. The Advisory Committee considers that the target should be no printing of summary records and no summary records of meetings below the Board level.

102. The Advisory Committee also noted the measures provisionally recommended by the Publications Board to ensure that requests for publications were properly authorized and that they were subject to regular review for the purpose of ascertaining whether they had lost their usefulness or become redundant. In this connexion, the Committee doubts whether it is appropriate that a decision on publishing or on redundancy should rest with the originating department itself.

103. Finally, the Committee noted the Board's provisional recommendations regarding the elimination of such duplication as may exist in the publications programmes of the various organizations of the United Nations family.

104. The Advisory Committee understands that its observations and suggestions will be taken into account in the final text of the Publications Board's report which will be submitted to it at its autumn

session, and to the General Assembly at its twenty-second session.

105. The Committee can but note with regret that despite a host of resolutions over the years, little has been accomplished in the direction of rationalizing documentation. Year after year its volume increases. Records indicate that pre-session documentation for the twenty-first session of the General Assembly amounted to more than 11,000 pages of manuscript copy, an increase of 42 per cent over 1965. In-session documentation, including verbatim and summary records, amounted to 32,490 pages of manuscript copy, an increase of 29 per cent over 1965.

106. Some 11,000 pages of documentation were prepared for the thirty-ninth and forty-first sessions of ECOSOC in 1965 and 1966 and it appears unlikely that the figure will be lower for 1967. The Advisory Committee notes from a report by the Secretary-General to the Economic and Social Council dated 1 June 1967 (E/L.1162), that once again many important reports will not be distributed in the working languages within the time limits laid down by the Council. Indeed, some will be available only a few days before the opening of the Council's forty-third session.

107. The only positive action in response to the numerous exhortations from the General Assembly and ECOSOC for a rational approach to documentation is, to the Committee's knowledge, that taken by the Commission on Narcotic Drugs to have the Secretariat "examine the value of continuing to publish certain documentation in relation to the effort and cost involved",¹⁵ and by the Industrial Development Board to forgo the printing of its summary records.

108. It is obvious that much more must be done, and the initiative should come voluntarily from the various organs and sub-organs themselves. Apart from the Secretariat's capacity to produce the continuing mass of documentation, and to produce it in time, it is extremely doubtful whether the representatives of member governments can read and digest more than a very small proportion of what they receive, and whether they can prepare themselves adequately for the meetings they attend.

109. There can be little doubt that the continuing increase in the volume of documentation is attributable, to a large extent, to the proliferation of meetings, and that if resolutions of the General Assembly and ECOSOC urging a reduction of documentation are to have any real practical effect there must be a reduction both in the number and duration of meetings and in the volume of documentation which accompanies them.

PUBLIC INFORMATION ACTIVITIES

110. The Advisory Committee would recall that in presenting the Secretary-General's 1966 budget estimates for public information activities, the Under-Secretary in charge of the Office of Public Information informed the Committee that he proposed to initiate an internal study and re-appraisal of the United Nations information policies, procedures and practices and the budgetary resources allocated thereto in the light of the experience gathered during the previous twenty years, and also of existing needs and possibilities.

¹⁵ E/4294/Add.1, para. 39.

111. In 1966, the Administrative Committee on Co-ordination (ACC) approved a recommendation of the Consultative Committee on Public Information (CCPI)¹⁶ for the establishment of an inter-agency study group to reassess the whole of the information activities of the United Nations and its family of agencies. In resolution 1176 (XLI) of 5 August 1966, the Economic and Social Council noted and endorsed the ACC action and, *inter alia*, requested the Secretary-General to undertake, with such assistance as he deemed necessary, through the use of consultants or governmental experts selected on an equitable geographical basis... "a study of the information activities of the United Nations with respect to its economic, social and human rights work, including the financing, staffing, publications and press relations programmes and their effectiveness and the relationships with the information services of the organizations of the United Nations system". The recommendations of CCPI as supported by ACC, together with the aforementioned study requested by the Council (E/4394), will be submitted for the consideration of ECOSOC at its forty-third session, following review by its Committee for Programme and Co-ordination (CPC).¹⁷

112. The report on the internal study and re-appraisal by the Office of Public Information referred to above was made available to the Advisory Committee during the latter part of its session. The Advisory Committee was not certain whether it was the Secretary-General's intention to submit this report to the General Assembly in the form in which it was made available to the Committee, or whether it would be subject to further examination and revision.

113. Following discussions with the Under-Secretary in charge of the Office of Public Information, the Advisory Committee understands that the Secretary-General wishes to adopt the latter course and intends to submit the final report to the General Assembly at its twenty-third session. The Committee looks forward to receiving the re-appraisal study in its final form, at which time it will offer its observations and recommendations on any proposals which the Secretary-General might decide to bring to the attention of the General Assembly. In this connexion the Committee hopes that in the review of the programmes of the Office of Public Information, the three fellowship and training programmes¹⁸ held under the auspices of that Office will receive careful scrutiny in the light of their effectiveness, cost and relative priority in the total context of public information activities. The Committee has referred specifically to the Triangular Fellowship programme in its observations on Section 12 (Special expenses) of the 1968 budget estimates (see para. 314 below).

114. As regards the proposed study of the public information programmes of the United Nations to be carried out by the United Nations Institute for Training and Research (UNITAR) with the assistance of outside experts, the Advisory Committee was informed that following further discussions with UNITAR it

¹⁶ All the agencies of the United Nations family represented on the ACC participate automatically and equally in the work of the CCPI.

¹⁷ Comments by the CPC on public information questions are contained in the Committee's report on the second part of its first session (E/4395, paras. 34-41).

¹⁸ Editors' Roundtable, Triangular Fellowships and Information Assistants Programmes.

has been decided that instead of making an assessment of these programmes, the Institute would undertake a study of the use by mass media of United Nations information material. The Committee understands that preliminary work is under way and that negotiations are proceeding with certain international associations and national institutions which will carry out the observations and data collection required. The Advisory Committee hopes that this study will not be unduly delayed.

115. Bearing in mind the aforementioned reappraisal study to be submitted to the General Assembly at its twenty-third session, and General Assembly resolutions 1335 (XIII) and 1405 (XIV) of 13 December 1958 and 1 December 1959 respectively, in which the Assembly laid down certain guiding policies including "a policy of budgetary stabilization" for the public information activities of the United Nations, the Advisory Committee paid particular attention to the estimates for public information activities in 1968 as presented by the Secretary-General in annex III of his budget.

116. The 1968 estimate of \$7,180,100 for public information activities shows an increase of \$294,700 over the approved appropriation of \$6,885,400 for 1967. Some \$224,400 of the additional requirements relate to increases in local salary scales at Geneva and various information centers, cost of salary increments, upward revision of the post classifications at Headquarters, Geneva and some information centres, and a decrease in the turnover factor for professional posts. Approximately \$50,000 of the \$224,400 provides for fifteen new secretarial/clerical and information assistant posts at Geneva and information centres, and additional temporary assistance and overtime requirements at Headquarters and at information centres. The remaining \$70,300 of the total increase of \$294,700 is attributed to additional requirements for public information supplies and services, communication costs and permanent equipment at Headquarters.

117. Notwithstanding the fact that much of the increase is attributable to the costs of salaries and wages and contractual services, it is the opinion of the Advisory Committee that the expenditures could be kept at a lower level than that proposed by the Secretary-General. In this connexion the Committee would refer to the need for strict administrative control over the costs of communications, public information supplies and equipment for the television, radio and photographic services, and the increasing requirements for the printing and publications programmes. More specifically the Committee cannot recommend any increase in the number of secretarial/clerical and information assistant posts at Geneva and at the information centres, nor can it agree to the proposed decrease in the turnover factor for professional posts at this time. Additionally, it is of the view that the estimate of \$350,000 for revenue from television, film and photographic activities credited to Income section 3 could reasonably be increased to \$400,000 on the basis of experience over the past few years.

118. The Committee believes that, by taking into account the above observations, savings on the estimates as presented could be accomplished so as to bring the expenditures within a total of \$7 million which the Committee recommends. The proposed reduction of \$130,000 in the expenditure estimates and the increase of \$50,000 under Income section 3 (vii) have been taken into account in arriving at the totals recommended for the various sections of the budget in chapter III of this report.

THE GENERAL ASSEMBLY AND THE VOLUNTARY PROGRAMMES

119. Most United Nations programmes financed from sources other than the regular budget have their own administrative arrangements and in some cases their own sub-organs charged with budget control, as established by their respective legislative bodies. No provision is made, however, for their administrative and budgetary supervision and control by the General Assembly, the main organ of the United Nations which created these voluntary programmes. As a consequence of these institutional arrangements, it is not clear to what extent the Advisory Committee has authority to review and report to the General Assembly and the respective legislative bodies on the administrative budgets, the rules and regulations and other facets of administration governing the internal management of these programmes.

120. The Advisory Committee does not doubt that the administrative arrangements of the voluntary programmes are adequate for their internal needs and that they have proved satisfactory to their governing organs. However, the various arrangements reveal wide differences and do not provide for any form of central review. Whereas the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies strongly recommended that the organizations in the United Nations system as much as possible apply common principles and standards to the preparation of their budgets and to their budgetary and administrative procedures, the *Ad Hoc* Committee did not explicitly propose that the same principles and standards should apply equally to the organizations' own voluntary programmes. In the opinion of the Advisory Committee, greater uniformity between the administrative and budgetary arrangements of the United Nations and its voluntary programmes is required, and a greater measure of central review and control of the procedures relating to these administrative budgets is desirable.

121. The Committee, therefore, considers that the General Assembly may wish to address itself to this subject at its twenty-third session. To assist the General Assembly in this matter the Advisory Committee will prepare a note on the present administrative and budgetary procedures and practices of the United Nations programmes financed from sources other than the regular budget, and the extent of the Committee's present responsibility in this regard. At this juncture the Advisory Committee only wishes to draw the attention of the General Assembly to the problem.

CHAPTER II

DRAFT RESOLUTIONS

122. Appendices I, II and III to this chapter contain the following draft resolutions recommended by the Advisory Committee for 1968:

- I. Draft budget resolution for 1968;
- II. Draft resolution on unforeseen and extraordinary expenses for 1968;
- III. Draft resolution on the Working Capital Fund for 1968.

DRAFT BUDGET RESOLUTION

123. The draft budget resolution submitted by the Secretary-General is presented in the same form as that approved by the General Assembly for 1967 (resolutions 2242 A, B and C (XXI) of 20 December 1966); A covers the budget appropriations for 1968; B, the income estimates; and C, the financing of appropriations for 1968. The texts of the resolutions submitted by the Advisory Committee in appendix I are the same as those proposed by the Secretary-General, except that the amounts included reflect the recommendations of the Advisory Committee on the expenditure and income sections of the budget, as set out in this report.

124. The Advisory Committee has noted that provision has again been made under draft resolution C for certain credits relating to the financing of appropriations which are deducted from assessments against 1968. The draft resolution provides for a credit of \$—— (to be determined by the General Assembly at its twenty-second session) representing the balances in the surplus account at the end of 1966.

DRAFT RESOLUTION ON UNFORESEEN AND EXTRAORDINARY EXPENSES

125. The draft resolution which the Advisory Committee recommends for 1968 in respect of unforeseen and extraordinary expenses (appendix II) is the same as the one proposed by the Secretary-General in the budget estimates. It differs from the corresponding resolution for 1967 (2243 (XXI)) in that no provision is made for the maintenance in office of Judges who have not been re-elected, or for the payment of pensions and travel and removal expenses of those Judges and travel and removal expenses of new members of the International Court of Justice.

126. In connexion with operative paragraph 3, the Committee wishes to repeat its comments contained in paragraph 95 of its seventh report to the General Assembly at its nineteenth session (A/5807), in which it observed:

"Paragraph 3 of the draft resolution repeats the provisions of General Assembly resolution 1615 (XV) of 21 April 1961. In this connexion, attention is invited to the report of the Fifth Committee (A/4739) in which the resolution was recommended by that Committee. In paragraph 5 of that report, the understanding is stated that the adoption of the draft resolution would, for purposes of Article 20 of the Charter relating to special sessions, be considered as a determination by a majority of the Members of the United Nations that a special session of the General Assembly should be called if the contingency envisaged in the draft resolution should arise and that the Secretary-General would in that event be authorized to act accordingly. If a provision such as that contained in paragraph 3 of the draft resolution above is to become a permanent feature of the budgetary procedures of the Organization, the General Assembly may wish to amend the rules of procedure of the General Assembly relating to the convening of special sessions so as to provide for sessions to be called for this purpose. In the absence of such amendments, the understanding stated in connexion with resolution 1615 (XV) would continue to apply in the event of the adoption of the draft resolution in the form now presented."

127. Additionally, the Advisory Committee would refer the General Assembly to paragraphs 52 to 73 of the present report concerning unforeseen and extraordinary expenses.

DRAFT RESOLUTION ON THE WORKING CAPITAL FUND

128. The Advisory Committee recommends adoption of the draft resolution submitted by the Secretary-General in respect of the Working Capital Fund for 1968 (appendix III).

129. This draft resolution is presented in the same form as General Assembly resolution 2244 (XXI) of 20 December 1966.

Draft resolutions

COMPARATIVE TABLE OF APPROPRIATIONS AS PROPOSED BY THE SECRETARY-GENERAL AND RECOMMENDED BY THE ADVISORY COMMITTEE

		Secretary-General's budget estimates for 1968	Advisory Committee's recommendations	Decrease
		\$	\$	\$
<i>Part</i>	<i>I. Sessions of the General Assembly, the Councils, commissions and committees; special meetings and conferences</i>			
<i>Section</i>				
1.	Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies	1,235,000	1,185,000	50,000
2.	Special meetings and conferences	2,633,400	2,283,400	350,000
<i>Part</i>	<i>II. Staff costs and related expenses</i>			
<i>Section</i>				
3.	Salaries and wages	60,354,000	58,176,500	2,177,500
4.	Common staff costs	14,092,000	13,585,200	506,800
5.	Travel of staff	2,291,200	2,141,200	150,000
6.	Payments under annex I, paragraphs 2 and 3, of the Staff Regulations; hospitality	125,000	125,000	—
<i>Part</i>	<i>III. Premises, equipment, supplies and services</i>			
<i>Section</i>				
7.	Buildings and improvements to premises	4,842,200	4,772,200	70,000
8.	Permanent equipment	625,000	567,500	57,500
9.	Maintenance, operation and rental of premises	4,146,800	4,100,000	46,800
10.	General expenses	5,710,900	5,535,000	175,900
11.	Printing	1,688,300	1,600,000	88,300
<i>Part</i>	<i>IV. Special expenses</i>			
<i>Section</i>				
12.	Special expenses	9,097,600	9,031,800	65,800
<i>Part</i>	<i>V. Technical Programmes^a</i>			
<i>Section</i>				
13.	Economic development, social activities and public administration	6,400,000	6,400,000	—
14.	Human rights advisory services			
15.	Narcotic drugs control			
<i>Part</i>	<i>VI. Special missions and related activities</i>			
<i>Section</i>				
16.	Special missions	4,685,800	4,655,800	30,000
<i>Part</i>	<i>VII. Office of the United Nations High Commissioner for Refugees</i>			
<i>Section</i>				
17.	Office of the United Nations High Commissioner for Refugees	3,499,000	3,469,000	30,000
<i>Part</i>	<i>VIII. International Court of Justice</i>			
<i>Section</i>				
18.	International Court of Justice	1,248,100	1,225,000	23,100
<i>Part</i>	<i>IX. United Nations Conference on Trade and Development</i>			
<i>Section</i>				
19.	United Nations Conference on Trade and Development	9,743,000	9,068,000	675,000

Draft resolutions

COMPARATIVE TABLE OF APPROPRIATIONS AS PROPOSED BY THE SECRETARY-GENERAL AND RECOMMENDED BY THE ADVISORY COMMITTEE (continued)

		Secretary-General's budget estimates for 1968	Advisory Committee's recommendations	Decrease
		\$	\$	\$
Part	X. <i>United Nations Industrial Development Organization</i>			
Section				
20.	United Nations Industrial Development Organization	9,202,000	8,072,000	1,130,000
	Recapitulation:			
	Secretary-General's estimates			\$141,619,300
	Advisory Committee's recommendations			\$135,992,600
	TOTAL REDUCTION RECOMMENDED BY THE ADVISORY COMMITTEE			\$ 5,626,700

^a The distribution among Sections 13, 14 and 15 will be decided by the Economic and Social Council at its forty-third session after having considered further suggestions of the Governing Council of the United Nations Development Programme on the desirable level and uses of regular programme resources for 1968.

Appendix I

DRAFT BUDGET RESOLUTIONS FOR THE FINANCIAL YEAR 1968 (SUBMITTED BY THE ADVISORY COMMITTEE)

A

BUDGET APPROPRIATIONS FOR THE FINANCIAL YEAR 1968

The General Assembly

Resolves that for the financial year 1968:

1. Appropriations totalling \$US 135,992,600 are hereby voted for the following purposes:

		Amount in US dollars
Part	I. <i>Sessions of the General Assembly, the Councils, commissions and committees; special meetings and conferences</i>	
Section		
1.	Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies	1,185,00
2.	Special meetings and conferences	2,283,400
	TOTAL, PART I	3,468,400
Part	II. <i>Staff costs and related activities</i>	
Section		
3.	Salaries and wages	58,176,500
4.	Common staff costs	13,585,200
5.	Travel of staff	2,141,200
6.	Payments under annex I, paragraphs 2 and 3 of the Staff Regulations; hospitality	125,000
	TOTAL, PART II	74,027,900
Part	III. <i>Premises, equipment, supplies and services</i>	
Section		
7.	Buildings and improvements to premises	4,772,200
8.	Permanent equipment	567,500
9.	Maintenance, operation and rental of premises	4,100,000
10.	General expenses	5,535,000
11.	Printing	1,600,000
	TOTAL, PART III	16,574,700
Part	IV. <i>Special expenses</i>	
Section		
12.	Special expenses	9,031,800
	TOTAL, PART IV	9,031,800
	Carried forward	103,102,800

Draft resolutions

BUDGET APPROPRIATIONS FOR THE FINANCIAL YEAR 1968 (continued)

		Amount in US dollars
	Brought forward	103,102,800
<i>Part V. Technical programmes^a</i>		
<i>Section</i>		
13.	Economic development, social activities and public administration	6,400,000
14.	Human rights advisory services	
15.	Narcotic drugs control	
	TOTAL, PART V	6,400,000
<i>Part VI. Special missions and related activities</i>		
<i>Section</i>		
16.	Special missions	4,655,800
	TOTAL, PART VI	4,655,800
<i>Part VII. Office of the United Nations High Commissioner for Refugees</i>		
<i>Section</i>		
17.	Office of the United Nations High Commissioner for Refugees	3,469,000
	TOTAL, PART VII	3,469,000
<i>Part VIII. International Court of Justice</i>		
<i>Section</i>		
18.	International Court of Justice	1,225,000
	TOTAL, PART VIII	1,225,000
<i>Part IX. United Nations Conference on Trade and Development</i>		
<i>Section</i>		
19.	United Nations Conference on Trade and Development	9,068,000
	TOTAL, PART IX	9,068,000
<i>Part X. United Nations Industrial Development Organisation</i>		
<i>Section</i>		
20.	United Nations Industrial Development Organization	8,072,000
	TOTAL, PART X	8,072,000
	GRAND TOTAL	135,992,600

^a The distribution among Sections 13, 14 and 15 will be decided by the Economic and Social Council at its forty-third session after having considered further suggestions of the Governing Council of the United Nations Development Programme on the desirable level and uses of regular programme resources for 1968.

2. The Secretary-General shall be authorized to transfer credits between sections of the budget with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

3. The appropriations for technical assistance programmes under part V shall be administered in accordance with the Financial Regulations of the United Nations, except that the definition of obligations and the period of validity of obligations shall be in accordance with the procedures and practice established for the Expanded Programme component of the United Nations Development Programme;

4. The provisions under sections 1, 3, 5 and 11, in a total amount of \$225,650 relating to the International Narcotics Control Board shall be administered as a unit;

5. The provisions under sections 1, 3, 4, 5, 6 and 10, in a total amount of \$547,850 relating to the United Nations Joint Staff Pension Board and the United Nations Staff Pension Committee, shall be administered in accordance with article XXVII of the Regulations of the United Nations Joint Staff Pension Fund;

6. In addition to the appropriations voted under paragraph 1 above, an amount of \$19,000 is appropriated from the accumulated income of the Library Endowment Fund for the purchase of books, periodicals, maps, and library equipment and such other expenses of the Library at the Palais des Nations as are in accordance with the objects and provisions of the endowment.

B

INCOME ESTIMATES FOR THE FINANCIAL YEAR 1968

The General Assembly

Resolves that for the financial year 1968:

1. Estimates of income other than assessments on Member States totalling \$23,490,800 are approved as follows:

<i>Income section</i>	<i>Amount in US dollars</i>
<i>Part I. Income from staff assessment</i>	
1. Staff assessment income	14,442,700
TOTAL, PART I	14,442,700
<i>Part II. Other income</i>	
2. Funds provided from extra-budgetary accounts	2,436,150
3. General income	3,900,000
4. Revenue-producing activities	2,711,950
TOTAL, PART II	9,048,100
GRAND TOTAL	23,490,800

2. The income from staff assessment shall be credited to the Tax Equalization Fund in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955;

C

FINANCING OF APPROPRIATIONS FOR THE FINANCIAL YEAR 1968

The General Assembly

Resolves that for the financial year 1968:

1. Budget appropriations totalling \$135,992,600 together with supplementary appropriations for 1967 totalling \$———, ^b shall be financed in accordance with regulations 5.1 and 5.2 of the Financial Regulations of the United Nations as follows:

(a) As to \$9,048,100 by income other than staff assessment approved under part B of this resolution:

(b) As to \$———, ^b by the amount available in the surplus account for the financial year 1966:

(c) As to \$———, ^b by assessment on Member States in accordance with General Assembly resolution (XXII) of December 1967^b on the scale of assessments for 1968.

2. There shall be set off against the assessment on Member States, in accordance with the provisions of General Assembly resolution 973 (X) of 15 December 1955, their respective shares in the Tax Equalization Fund in a total amount of \$14,511,868, comprising:

(a) \$14,442,700, being the estimated staff assessment income for 1968;

(b) \$69,168, being the excess of actual income over the approved estimated income from staff assessment for 1966.

^b To be determined by the General Assembly at its twenty-second session.

Appendix II

**DRAFT RESOLUTION ON UNFORESEEN AND EXTRAORDINARY EXPENSES FOR THE FINANCIAL YEAR 1968
(SUBMITTED BY THE ADVISORY COMMITTEE)**

The General Assembly

1. Authorizes the Secretary-General, with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions and subject to the Financial Regulations of the United Nations and the provisions of paragraph 3 below, to enter into commitments to meet unforeseen and extraordinary expenses in the financial year 1968, provided that the concurrence of the Advisory Committee shall not be necessary for:

(a) Such commitments, not exceeding a total of \$US 2 million, as the Secretary-General certifies relate to the maintenance of peace and security;

(b) Such commitments as the President of the International Court of Justice certifies relate to expenses occasioned by:

- (i) The designation of *ad hoc* judges (Statute of the Court, Article 31), not exceeding a total of \$37,500;
- (ii) The appointment of assessors (Statute, Article 30), or the calling of witnesses and the appointment of experts (Statute, Article 50), not exceeding a total of \$25,000;
- (iii) The holding of sessions of the Court away from The Hague (Statute, Article 22), not exceeding a total of \$75,000;

2. *Resolves* that the Secretary-General shall report to the Advisory Committee on Administrative and Budgetary Questions

and to the General Assembly at its twenty-third session all commitments made under the provisions of the present resolution, together with the circumstances relating thereto, and shall submit supplementary estimates to the Assembly in respect of such commitments;

3. *Decides* that if, as a result of a decision of the Security Council, commitments relating to the maintenance of peace and security should arise in an estimated total exceeding \$10 million before the twenty-third session of the General Assembly, a special session of the Assembly shall be convened by the Secretary-General to consider the matter.

Appendix III

DRAFT RESOLUTION ON WORKING CAPITAL FUND FOR THE FINANCIAL YEAR 1968 (SUBMITTED BY THE ADVISORY COMMITTEE)

The General Assembly

Resolves that:

1. The Working Capital Fund shall be established for the year ending 31 December 1968 in the amount of \$US 40 million;

2. Member States shall make advances to the Working Capital Fund in accordance with the scale adopted by the General Assembly for contributions of Members to the budget for the financial year 1968;

3. There shall be set off against this allocation of advances:

(a) Credits to Members resulting from transfers made in 1959 and 1960 from surplus account to the Working Capital Fund in a total amount of \$1,079,158;

(b) Cash advances paid by Members to the Working Capital Fund for the financial year 1967 under General Assembly resolution 2244 (XXI) of 20 December 1966;

4. Should the credits and the advances paid by any Member State to the Working Capital Fund for 1967 exceed the amount of that Member State's advance under the provisions of paragraph 2 above, the excess shall be set off against the amount of the contribution payable by the Member State in respect of the financial year 1968.

5. The Secretary-General is authorized to advance from the Working Capital Fund:

(a) Such sums as may be necessary to finance budgetary appropriations pending the receipt of contributions; sums so advanced shall be reimbursed as soon as receipts from contributions are available for the purpose;

(b) Such sums as may be necessary to finance commitments which may be duly authorized under the provisions of the

resolutions adopted by the General Assembly, in particular resolution _____ (XXII) of _____ December 1967 relating to unforeseen and extraordinary expenses; the Secretary-General shall make provision in the budget estimates for reimbursing the Working Capital Fund;

(c) Such sums as, together with net sums outstanding for the same purpose, do not exceed \$125,000, to continue the revolving fund to finance miscellaneous self-liquidating purchases and activities; advances in excess of the total of \$125,000 may be made with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions;

(d) With the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions, such sums as may be required to finance payments of advance insurance premiums where the period of insurance extends beyond the end of the financial year in which payment is made; the Secretary-General shall make provision in the budget estimates of each year, during the life of the related policies, to cover the charges applicable to each such year;

(e) Such sums as may be necessary to enable the Tax Equalization Fund to meet current commitments pending the accumulation of credits; such advances shall be repaid as soon as credits are available in the Tax Equalization Fund;

6. Should the provision in paragraph 1 above prove inadequate to meet the purposes normally related to the Working Capital Fund, the Secretary-General is authorized to utilize, in 1968, cash from special funds and accounts in his custody, under the conditions approved in General Assembly resolution 1341 (XIII) of 13 December 1958, or the proceeds of loans authorized by the Assembly.

DETAILED RECOMMENDATIONS ON THE BUDGET ESTIMATES

Expenditure estimates

Part I. Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences**SECTION 1. TRAVEL AND OTHER EXPENSES OF REPRESENTATIVES AND MEMBERS OF COMMISSIONS, COMMITTEES AND OTHER SUBSIDIARY BODIES**

	\$
Estimate submitted by the Secretary-General	1,235,000
Estimate recommended by the Advisory Committee	1,185,000
1966 (actual expense)	962,295 ¹⁹
1967 (appropriation)	1,236,750 ¹⁹

130. This section contains provisions for travel and, as appropriate, subsistence and/or honoraria relating to the programme of meetings scheduled to take place in 1968. It does not include the estimates relating to the United Nations share of these costs for the International Civil Service Advisory Board and the Expert Committee on Post Adjustments which, beginning with the 1968 estimates, have been transferred to Section

¹⁹ See paragraph 130.

12, chapter X (United Nations participation in jointly-financed activities of administrative co-ordination). The travel and subsistence allowances payable to members of United Nations organs are governed by General Assembly resolution 1798 (XVII) of 11 December 1962, as amended by resolution 2128 (XX) of 21 December 1965 and resolution 2245 (XXI) of 20 December 1966. In the last-named resolution the Assembly, having considered the report of the Secretary-General on standards of air travel accommodation²⁰ and the relevant report of the Advisory Committee,²¹ decided—as an exception to the general policy of limiting reimbursement by the United Nations to the cost of economy class accommodation by air, or its equivalent—that one representative of each Member State attending regular, special or emergency special sessions of the General Assembly and all persons serving in their individual capacities will be reimbursed travel expenses limited to the cost of first-class accommodation by air, or its equivalent, *via* a direct route.

131. A breakdown by chapter of the 1968 estimates, the 1967 appropriations and the 1966 expenditures is given in table 3 below:

²⁰ *Official Records of the General Assembly, Twenty-first Session, Annexes*, agenda item 74, document A/C.5/1074.
²¹ *Ibid.*, document A/6502.

Table 3

Chapter	1968 estimates	1967 appropriations	1966 expenditures
	\$	\$	\$
I. The General Assembly, commissions and committees	918,000	940,000	829,647
II. The Security Council, commissions and committees	—	—	—
III. The Economic and Social Council, commissions and committees	267,900	251,250	128,658
IV. The Trusteeship Council, commissions and committees	41,000	39,000	—
V. Administrative advisory bodies	8,100	6,500	3,990
TOTAL, Section 1	1,235,000	1,236,750	962,295

132. The estimates under Section 1 for 1968 show an over-all decrease of \$1,750 as compared with the 1967 revised appropriation, but inasmuch as the 1967 figure under chapter I includes \$50,000 for the fifth special session of the General Assembly, the total estimate for 1968 represents an increase of \$48,250 over 1967, spread over all the chapters of the section.²²

133. If the 1967 appropriation for chapter I is adjusted to exclude the \$50,000 provision for the fifth

special session of the General Assembly, the 1968 estimate under this chapter will show an increase of \$28,000 over the 1967 figure. The increase is attributable to higher estimates for the Advisory Committee on Administrative and Budgetary Questions (\$17,900), the Administrative Tribunal (\$5,500), the United Nations Joint Staff Pension Board (\$3,800), the United Nations Scientific Committee on the Effects of Atomic Radiation (\$3,100), and the General Assembly (\$1,000). The increases are partly offset by lower estimates for the Committee on Contributions (\$1,800), the United Nations Scientific Advisory Committee (\$1,400) and the Board of Auditors (\$100).

²² The 1967 appropriation figure excludes the costs relating to the holding of the Fifth Special Emergency Session of the General Assembly.

134. The Advisory Committee notes that the Secretary-General has made an allowance of \$36,500, or 6.3 per cent of full entitlements (compared with 2 per cent in 1966 and 1967), to provide for the possibility that full entitlements for the travel of representatives to the General Assembly may not be exercised by all Member States. The Committee understands that the non-utilization factor amounted to 8.6 per cent in 1963, 18.6 per cent in 1964 and 11.1 per cent in 1965.

135. The estimate under chapter III represents an increase of \$16,650 over the 1967 appropriations, and of \$139,242 (or 108 per cent) when compared with actual expenditure in 1966.²³ In its report on the budget estimates for 1967²⁴ the Advisory Committee drew attention to the financial implications of the decision to increase the membership of the functional commissions, and urged the Economic and Social Council to reconsider whether it was essential for all its functional commissions—with the exception of the two which already met on a biennial basis²⁵—to hold meetings every year. In the light of the steep increase in expenditures largely attributable to the increase in the membership of the commissions of the Economic and Social Council, the Advisory Committee once again draws the attention of all concerned to the important issue of the periodicity of the meetings of these commissions.

136. Increased estimates within chapter III relate to the Advisory Committee on Science and Technology (\$13,000), the Permanent Central Narcotics Board and the Drug Supervisory Body together with the successor organ, the International Narcotics Control Board (\$7,000), and the Commission on Human Rights (\$5,000); lower estimates have been submitted in respect of the Sub-Commission on Prevention of Discrimination and Protection of Minorities (\$4,700), the Commission on the Status of Women (\$2,000), the Commission on Narcotic Drugs (\$1,500), the Commission for Social Development (\$1,000), and the Committee for Development Planning (\$150). The Population Commission, which meets in 1967, will not hold a session in 1968; the estimate for the Statistical Commission is \$18,000 (48 per cent above the 1966 figure of \$12,163).

137. The Advisory Committee on Science and Technology accounts for 26 per cent (\$70,000) of the total estimate of \$267,900 for chapter III. This Committee was established pursuant to Economic and Social Council resolution 980 A (XXXVI) of 1 August 1963 and its terms of reference were further defined in General Assembly resolution 1944 (XVIII) of 11 December 1963. Its members are paid travel and subsistence costs under paragraph 2 (a) of General Assembly resolution 1798 (XVII). Actual expenditures in respect of meetings of the Committee and its regional groups amounted to \$49,001 in 1964, \$39,385 in 1965 and \$36,222 in 1966; the 1967 appropriation is \$57,000 and the estimate requested for 1968 is \$70,000. The Advisory Committee understands that a change in the periodicity of the sessions of the Advisory Committee

on Science and Technology designed to increase the number of meetings of regional and functional groups, and to reduce the number of full sessions to one a year was submitted to the Economic and Social Council²⁶ but that no decision has as yet been taken; it is indicated that the change, if approved, will not result in increased estimates for 1968. The Advisory Committee understands further that the provision in the estimates includes attendance on behalf of the Secretary-General at highly technical meetings of specialized agencies by members of the Advisory Committee on Science and Technology, rather than United Nations staff members. The Advisory Committee expresses the hope that the travel schedules of the Committee, its sub-groups, members and supporting staff will be so organized as to make the most economical use of the funds expended on travel costs.

138. Insofar as the narcotic drugs supervisory organs are concerned, the International Narcotics Control Board established under the Single Convention on Narcotic Drugs, 1961, will take over on 2 March 1968 the functions of the Permanent Central Narcotics Board and the Drug Supervisory Body. The 1968 estimates relate to the latter two bodies for January and February and for the International Narcotics Control Board as from 2 March. The estimate for the new Board includes travel and subsistence of members, but not their honoraria, which will be the subject of a separate report by the Secretary-General to the General Assembly at its twenty-second session.

139. The estimate of \$41,000 under chapter IV relates to the visiting mission to the Trust Territories of Nauru and New Guinea. This compares with actual expenditure of \$38,835 incurred in connexion with the 1965 visiting mission to the two territories.

140. Chapter V includes estimates for the Investments Committee and the Committee of Actuaries.²⁷ The estimate of \$6,100 for the Investments Committee, which is \$1,600 higher than the 1967 appropriation, covers three sessions in New York and one in Europe.

141. In its consideration of Section 1 as a whole the Advisory Committee bore in mind the views expressed by the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies as set out in its second report, Chapter IX "Conferences, Meetings and Documentation" (A/6343); in paragraph 104 of that report the *Ad Hoc* Committee called for a review of the conference programmes of the United Nations and its related bodies, including the functional and regional economic commissions; it recommended, *inter alia*, that no dependent body should be permitted to increase the number or length of its meetings already authorized without the specific approval of the organ which established it, and that an adequate interval of time should be allowed to elapse between conferences of the same body or of a similar nature.

142. The Advisory Committee was also aware that the Committee on Conferences established under General Assembly resolution 2239 (XXI) of 20 December

²³ The increase over 1966 is partly due to the decision on travel standards taken by the General Assembly in resolution 2245 (XXI).

²⁴ *Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307)*, para. 128.

²⁵ By resolution 1156 (XLI) of 5 April 1966 the Economic and Social Council decided *inter alia* that the Commission on Narcotic Drugs would also meet on a biennial basis.

²⁶ *Official Records of the Economic and Social Council, Forty-second Session, Supplement No. 8 (E/4300)*.

²⁷ As stated in paragraph 130 above the United Nations share of the estimates relating to the International Civil Service Advisory Board and the Expert Committee on Post Adjustments, which had previously been included under this chapter have been transferred to Section 12, chapter X.

1966, has been entrusted, *inter alia*, with the function of submitting to the General Assembly at each regular session a calendar of meetings and conferences for the following year.

143. In its own analysis of the estimate under Section 1, the Advisory Committee has observed (see para. 134 above) that the Secretary-General has made a larger allowance than in previous years for the non-utilization of full entitlements by Member States in respect of sessions of the General Assembly. It believes, however, that a further saving can be effected in view of the fact that the average non-utilization factor in recent years has been higher than the allowance made for that purpose, and that not all members of commissions and committees attend sessions for their entire duration. The Advisory Committee accordingly recommends an appropriation of \$1,185,000 for Section 1, representing a reduction of \$50,000 in the estimate submitted by the Secretary-General.

<i>Reduction recommended:</i>	\$
Section 1. Travel and expenses of representatives, members of Commissions, committees and other subsidiary bodies	50,000

SECTION 2. SPECIAL MEETINGS AND CONFERENCES

	\$
Estimate submitted by the Secretary-General	2,633,400
Estimate recommended by the Advisory Committee	2,283,400
1966 (actual expense)	1,110,868
1967 (appropriation)	1,818,150

144. This section includes estimates on a project basis for conferences of an extraordinary character as well as for the regular sessions of the economic commissions for Asia and the Far East, Latin America and Africa. Estimates for Conferences of UNCTAD and UNIDO are given under the respective sections for these two organizations (19 and 20); the figures for 1966 and 1967 quoted for purposes of comparison have been adjusted accordingly.

145. The estimate submitted by the Secretary-General for 1968 amounts to \$2,633,400,²⁸ representing an increase of \$815,250 over the 1967 appropriation and of \$1,522,532 over actual expenses in 1966. The estimates for the special meetings and conferences to be held in 1968 are listed in table 4 below, together with comparative figures for 1966 and 1967 as appropriate; it should be noted in this connexion that the figures for 1966 and 1967 under chapter V relate to the twenty-second and twenty-third sessions of ECAFE respectively.

146. The Advisory Committee notes that the 1968 estimate includes \$333,000 relating to the International Conference on the Exploration and Peaceful Uses of Outer Space which was originally scheduled for 1967 and for which \$350,000 was included in the 1967 appropriation. The 1968 estimate also contains a total amount of \$33,000 for the Conference on the Standardization of Geographic Names and the Fifth United Nations Cartographic Conference for Asia and the Far East which had originally been included in the 1967 appropriation but which will remain unspent owing to delays in the submission of documentation for printing.

²⁸ The Secretary-General estimates that \$370,900 of this total will be reimbursed by host Governments.

147. The Advisory Committee is disturbed by the continuing increase in expenditures relating to special meetings and conferences. The General Assembly's unequivocal decision in paragraph 5 of resolution 2116 (XX) of 21 December 1965 that not more than one major special conference of the United Nations shall be scheduled in any one year seems to have become a dead letter. For 1968 the Secretary-General has been required to submit under Section 2 alone estimates for a schedule of conferences at least six of which could be described as major special conferences, no matter what criteria or definitions are used, be it participation, level of expenditure, or size of the substantive and conference effort involved. Furthermore, the cost of the programme both to the United Nations and to the host countries is made heavier by the lavishness of the arrangements proposed for some of the conferences.

148. The Advisory Committee would recall that the Fifth Committee has said the following in connexion with the cost of the conference programme:

"Under the Charter the function of considering and approving the budget of the Organization is reserved exclusively to the General Assembly, whose rules of procedure (notably rules 153-155) reinforce its power of financial control. Therefore, although certain United Nations bodies are authorized to decide the place of their meetings, this prerogative is necessarily subordinate to the appropriating authority of the General Assembly".²⁹

149. The Advisory Committee notes with concern that the General Assembly's power of financial control is, however, weakened in practice by the fact that subordinate bodies, such as preparatory committees, are entrusted with the task of formulating preliminary decisions on organizational arrangements, rules of procedure and the like, without it being specifically incumbent upon them fully to weigh the financial implications of their decisions. The Committee's general observations on this matter are to be found in paragraphs 52-73 of chapter I of this report.

150. The Advisory Committee feels that it is desirable to guard against the possibility that decisions relating to the organizational arrangements for a conference might involve the Organization in total expenditures greatly in excess of the figure presented to the General Assembly prior to the adoption of the decision to convene the conference in question.

151. The General Assembly might wish to bear in mind in this connexion that, under the present system, Member States which have generously offered to act as hosts to United Nations conferences may have to defray costs far in excess of what they had originally anticipated.

152. In the circumstances, and in order to ensure that the necessarily limited resources of international organizations are utilized in a co-ordinated manner and to the best possible advantage, the Advisory Committee recommends that the General Assembly may consider including in its resolutions on future special conferences and meetings guidelines on various organizational aspects of the contemplated conference such as which categories of documents should be translated into the official or working languages of the conference, whether

²⁹ *Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 78, document A/6214, para. 11 (a).*

Detailed recommendations on the budget estimates

Table 4

Chapter	Title	1968 estimates	1967 appropriations	1966 expenses
		\$	\$	\$
I.	Conference of the Eighteen-Nation Committee on Disarmament	835,000	710,000	697,847
II.	Sub-committees of the Committee on the Peaceful Uses of Outer Space	<i>pro memoria</i>	<i>pro memoria</i>	67,600
III.	International Conference on Human Rights	598,700	125,000	—
IV.	International Conference on the Revision of the Convention on Road Traffic and of the Protocol on Road Signs and Signals ..	268,700	20,000	—
V.	Twenty-fourth session of the Economic Commission for Asia and the Far East ..	47,000	37,000	21,517
VI.	Conference of Ministers Responsible for Social Welfare	88,000	50,000	—
VII.	International Conference of Plenipotentiaries on the Law of Treaties	430,000	32,900	—
VIII.	International Conference on the Exploration and Peaceful Uses of Outer Space ..	333,000	350,000	—
IX.	Conference of Non-Nuclear Weapons States	<i>pro memoria</i>	—	—
X.	Conference on the Standardization of Geographic Names	13,000	42,000	—
XI.	Fifth United Nations Regional Cartographic Conference for Asia and the Far East	20,000	52,000	—
—	Twelfth session of the Economic Commission for Latin America	—	103,000	—
—	Eighth session of the Economic Commission for Africa	—	86,100	—
—	Second United Nations Regional Cartographic Conference for Africa	—	26,000	—
—	First United Nations Regional Cartographic Conference for Africa	—	5,000	11,550
—	Fourth United Nations Regional Cartographic Conference for Asia and the Far East	—	8,500	5,135
—	Special Committee on Principles of International Law Concerning Friendly Relations ..	—	110,000	—
—	International Conference or Seminar on Apartheid	—	60,600	—
—	Second United Nations World Population Conference	—	—	306,219
—	Third Congress on the Prevention of Crime and Treatment of Offenders	—	—	1,000
	TOTAL, Section 2	2,633,400	1,818,150	1,110,868

summary or verbatim records are to be provided, the number of sessional committees and sub-committees which will require servicing, etc. as a guide both to the subsidiary organs responsible for the planning of the conference, and to the Secretary-General.

153. In addition to the adverse financial implications of an excessively large conference schedule, thought must also be given to the quality of the preparatory work and of the technical services available for the conferences. The Advisory Committee notes that the Secretary-General has doubts as to the possibility of recruiting the hundreds of qualified technical staff needed to service all the conferences scheduled for 1968. The Committee associates itself with the hope expressed by the Secretary-General that the Committee on Conferences, established by the General Assembly under resolution 2239 (XXI) of 20 De-

cember 1966, will pay particular attention to the problems created by the programming of so many large-scale conferences in any one year.

154. In the light of all the foregoing observations and being aware of the tentative nature of some of the provisions under this section, the Advisory Committee recommends an appropriation in the amount of \$2,283,400, or a reduction of \$350,000 in the estimate proposed by the Secretary-General for 1968 under Section 2. The Advisory Committee's recommendation in no way prejudices the analysis of the 1968 conference schedule to be undertaken by the Committee on Conferences, which, in its turn, may lead to further economies in 1968.

Reduction recommended.

Section 2: Special meetings and conferences \$ 350,000

Part II. Staff costs and related expenses**SECTION 3. SALARIES AND WAGES**

	\$
Estimate submitted by the Secretary-General	60,354,000
Estimate recommended by the Advisory Committee	58,176,500
1966 (actual expense)	52,776,924
1967 (appropriation)	56,144,400

General

155. This section provides for all established posts, temporary assistance (including experts and consultants) and overtime and night differential except the following: the United Nations Memorial Cemetery in Korea (Section 12); Special missions (Section 16); the Office of the United Nations High Commissioner for Refugees (Section 17); the International Court of Justice (Section 18); the United Nations Conference on Trade and Development (Section 19); the United Nations Industrial Development Organization (Section 20); and the revenue-producing activities (Income section 4).

156. In paragraph 3.1 of his estimates for 1968,³⁰ the Secretary-General has shown in detail the changes he proposes to make in the form and content of the

³⁰ *Ibid.*, Twenty-second Session, Supplement No. 5 (A/6705).

provisions under this section. The principal such change is the transfer to Income section 4, as a direct charge against revenue, of 17 professional and 85 general service established posts approved for the revenue-producing activities at Headquarters and Geneva. Other changes include the transfer: to Section 20 from the Bureau of Technical Assistance Operations in the Department of Economic and Social Affairs of 8 professional and 8 general service established posts in connexion with the transfer to the United Nations Industrial Development Organization of responsibility for technical assistance in industry; to Section 12, chapter IV from Section 3, chapter III, of the United Nations share of costs of joint projects under the auspices of the Consultative Committee on Administrative Questions; to Section 3, chapter I, from Section 9, chapter I, of credits for casual labour at information centres and custodial and maintenance workers at ECAFE; and to Section 3, chapter I, of 19 posts shown in 1967 and prior years under Section 17. As a consequence of the foregoing and for purposes of comparability the Secretary-General has excluded a net amount of \$2,742,761 from expenses incurred in 1966 and \$902,100 from the appropriation approved for 1967 under this section.

157. The estimate submitted by the Secretary-General amounts to \$60,354,000, an increase of \$4,209,600 over the 1967 appropriation, and \$7,577,076 over actual expenditures in 1966. Comparisons by chapter are given in table 5.

Table 5

COMPARISON OF THE ESTIMATES WITH THE 1967 APPROPRIATIONS AND THE 1966 EXPENDITURES

Chapter	1968 estimates	1967 appropriations	1966 expenditures	1968 increase or (decrease) as compared with 1967
	\$	\$	\$	\$
I. Established posts	56,423,000	52,552,100	49,842,292	3,870,900
II. Temporary assistance for meetings	884,500	936,300	787,901	(51,800)
III. Other temporary assistance ...	2,215,500	1,950,500	1,322,684	265,000
IV. Overtime and night differential	831,000	705,500	824,047	125,500
TOTAL, Section 3	60,354,000	56,144,400	52,776,924	4,209,600

158. The Secretary-General attributes the increase of approximately \$3,871,000 for salaries and wages to: (a) the additional cost of continuing the 1967 establishment in 1968 (\$1,640,000), and (b) the cost of additional requirements in 1968 (\$2,231,000).

159. The additional cost of continuing the 1967 establishment in 1968 is attributable primarily to upward revisions in salary rates and post classifications and to a decrease in the turnover deduction (for details see table 6).

160. The additional cost for staff increases in 1968 is distributed among all departments and offices of the Secretariat both at Headquarters and overseas. The principal increases, however, relate to the Department

of Economic and Social Affairs and the Office of Conference Services at Headquarters.

161. Increased provisions for other temporary assistance (\$2,215,500 against \$1,950,500 in 1967) and overtime and night differential (\$831,000 against \$705,500 in 1967) are partly offset by a reduction in the provision for temporary assistance for meetings (\$884,500 against \$936,300 in 1967). It should be noted that the 1967 appropriation for temporary assistance for meetings includes credits for the second session of the Committee for Development Planning (\$58,000) and for a meeting at Headquarters of the enlarged Committee for Programme and Co-ordination of the Economic and Social Council (\$55,400). No similar provision has been made by the Secretary-General for 1968,

Detailed recommendations on the budget estimates

Table 6

ESTIMATED ADDITIONAL COST OF CONTINUING 1967 ESTABLISHMENT

	<i>Increases in effect \$</i>	<i>Projected increases \$</i>
<i>Post adjustments</i>		
New York, on the basis of a rise in the cost-of-living index, an upward revision from class 4 to 5 effective 1 June 1967	591,800	591,800
Geneva, on the basis of a rise in the cost-of-living index, an upward revision from class 1 to 2 by 1 January 1968	—	148,800
Other established offices, including information centres	7,600	120,600
<i>General service salary rates</i>		
Geneva, an increase of 2.9 per cent as of 1 January 1967;	93,900	—
and a similar increase expected by 1 January 1968		96,600
Other established offices, including information centres	237,600	
<i>Manual worker wage rates</i>		
New York, an increase expected by mid 1968 ..	—	35,000
Geneva, increases identical to those indicated above for general service staff at Geneva	9,800	10,200
	<u>940,700</u>	<u>411,200</u>
TOTAL INCREASES IN EFFECT AND PROJECTED		<u><u>\$1,351,900</u></u>

Chapter I. Established posts

	\$
Estimate submitted by the Secretary-General	56,423,000
Estimate recommended by the Advisory Committee	54,495,500
1966 (actual expense)	49,842,292
1967 (appropriation)	52,552,100

162. The increase of some \$3,871,000 over the 1967 amount is accounted for as follows:

(a) Estimated cost of continuing the 1967 establishment	1,640,000
(b) Estimated cost of additional requirements for 1968	2,231,000
	<u>3,871,000</u>

Cost of continuing the 1967 establishment

163. Of the estimated additional cost of continuing the 1967 establishment into 1968, amounting to \$1,640,000, some \$1,352,000 is attributable to upward revisions in salary rates and post adjustments. The Secretary-General's estimates include provision for increases which have already taken place in 1967 and those which are anticipated in 1967 and 1968 on the basis of statistical data, but which have yet to be implemented. Table 6 shows the breakdown of the various elements contributing to this increase.

Additional posts requested for 1968 under Section 3

164. The Secretary-General has requested for 1968 an increase in the number of established posts from 2,132 to 2,282 in the professional category and above

and from 2,351 to 2,493 in the general service category. Consequently, the net increase proposed is 292 posts of which 150 are in the professional category and above and 142 in the general service category. Table 7 shows the proposed distribution of these posts and their costs, and table 8 shows the proposed distribution of the new posts requested for Headquarters.

165. Of the 292 new posts requested 155 posts would be used for activities in the economic and social field, comprising 119 at Headquarters and 36 in the regional economic commissions, the Economic and Social Office in Beirut, and the Division of Social Affairs and the International Narcotics Control Board at Geneva. The balance of 137 posts are requested mainly for conference and general services, for the Library and for the central administrative services at Headquarters and Geneva.

166. The principal reason given by the Secretary-General for the increases he requests under Section 3 is the need to strengthen and rationalize the existing establishment in the light of the tasks to be performed.

167. As regards the Department of Economic and Social Affairs and the Regional Commissions, the Secretary-General refers to a report which he had prepared in response to ECOSOC resolution 1171 (XLI) of 5 August 1966, giving details of the work programme in the economic and social area authorized by various bodies together with an evaluation of staff resources, expressed in man-months, required to carry out the programme (E/4331 and Add.1-18). The Secretary-General concludes from this study that current resources approved by the General Assembly for economic and social activities are fully engaged and that

Table 7

ADDITIONAL ESTABLISHED POSTS REQUESTED FOR 1968

	Professional level and above		General Service level		Local level: amount \$	Manual workers	
	Number of posts	Amount \$	Number of posts	Amount \$		Amount \$	Total \$

New established posts including re-classifications ^a							
Headquarters	107	982,900	113	557,300	—	—	1,540,200
Geneva (excluding ECE)	14	112,700	24	85,600	—	14,000	212,300
ECE	2	24,100	5	21,600	—	—	45,700
ECAFE	12	104,800	—	—	5,500	—	110,300
ECLA	6	56,600	—	—	146,800	—	203,400
ECA	8	74,100	—	—	11,900	—	86,000
Information centres	—	—	—	—	22,000	—	22,000
United Nations Economic and Social Office, Beirut	1	8,800	—	—	2,300	—	11,100
	150	1,364,000	142	664,500	188,500	14,000	2,231,000

^a These include 64 reclassifications within the professional category, 17 conversions from the general service or local categories to the professional category, and 24 reclassifications within the general service category, for a total cost of \$105,200.

Table 8

DISTRIBUTION OF NEW ESTABLISHED POSTS REQUESTED FOR 1968 AT HEADQUARTERS

Unit	Professional category and above	General Service category
Executive Office of the Secretary-General	2	1
Office of Legal Affairs	4	3
Office of the Controller	5	2
Internal Audit Service	—	1
Office of Personnel	3	7
Division of Human Rights	6	5
Secretariat of United Nations Joint Staff Pension Fund and Pension Committee	2	2
Department of Political and Security Council Affairs	4	3
Department of Trusteeship and Non-Self-Governing Territories	2	—
Department of Economic and Social Affairs	52	56
Office of Conference Services	18	28
Library	6	5
Office of General Services	3	—
	107	113

they would need to be substantially increased if the entire approved programme were to be implemented. At the same time, the Secretary-General states that in considering the additional resources which he might reasonably ask for in the 1968 estimates, he took into account "certain other factors involving points of principle as well as of practicability" which he summarizes in the budget document. Nevertheless, he has found it necessary to request some strengthening of existing resources.

158. As regards the Office of Conference Services, the Secretary-General states that as the two principal workload elements—the conference programme and the volume of related documentation—are to be the subject

of re-examination by the General Assembly at its twenty-second session, he has refrained from seeking in the initial estimates any significant strengthening of the language staff *per se*. The additional established posts he requests are therefore to replace temporary assistance, largely in the interpretation service, and to strengthen certain subsidiary services.

169. Table 9 hereunder indicates, for the initial budget estimates for the years 1963 to 1968, the number of new posts, both professional and general service, (i) requested by the Secretary-General, (ii) approved by the General Assembly upon the recommendation of the Advisory Committee. It also gives known estimates for 1968.

Table 9

INITIAL BUDGET ESTIMATES 1963-1968: NEW POSTS REQUESTED AND APPROVED UNDER SECTION 3

Year	New posts requested by the Secretary-General		New posts approved by the General Assembly upon the recommendation of the Advisory Committee	
	Professional	General Service	Professional	General Service
1963	114	101	95	90
1964	—	—	—	—
1965	123	171	90	110
1966 ^a	236	132	178	99
1967	—	—	—	—
1968	150	142	—	—

^a Subsequently, certain of these posts were transferred to those sections of the budget which pertain to UNCTAD and UNIDO.

170. The year 1963, it will be recalled, was the beginning of what the Secretary-General termed "controlled expansion"; since then, apart from two pauses for "consolidation and containment" in 1964 and 1967, a substantial number of additional posts have been authorized by the General Assembly.

171. Throughout its examination of the Secretary-General's proposals, the Advisory Committee has been mindful of the policy directives he gave to units of the Secretariat concerning the preparation of their requirements for 1968. He urged them, *inter alia*, not to request additional staff resources without clear evidence that their present staff were being fully and effectively utilized for activities of a truly priority nature and that vacancies had been or were likely to be filled.

172. The Committee feels obliged to state that from all the evidence available to it, it had some difficulty in reconciling the above-mentioned policy directives with the response which units of the Secretariat had made to them. It found, for instance, that at the end of May 1967 there were some 160 professional and 40 general service vacancies. Nor is such a vacancy situation unique. It has become a permanent phenomenon, the magnitude of which seems to be directly related to the number of new posts approved. Thus, in 1963, a year for which 213 new posts (105 professional and 108 general service) were approved, there were, in June, 173 professional vacancies. In 1964, a year for which no new posts were authorized, there were 82 professional vacancies. In 1966, a year for which 178 new professional posts were approved, there were, in June, 264 such posts vacant.

173. Of the 150 new professional posts requested for 1968, some 80 are for the economic and social sector at Headquarters and in the Regional Commissions. At the same time, there are more than 100 vacancies in this sector. The Committee took cognizance of the Secretary-General's analysis of the work programme in the economic and social fields and his evaluation of the staff resources required to carry out the programme, as set forth in document E/4331 and Addenda 1 to 13, and while it recognizes that certain broad general conclusions might be drawn from the statistics contained therein, it has doubts whether it can be said to demonstrate that staff resources for economic and social activities are fully engaged. The vacancy

situation alone would seem to indicate that there is in this area a substantial margin which has not as yet been utilized.

174. The increases requested for 1968 in the central administrative and other areas of the Secretariat not within the economic and social field amount to 69 professional and 81 general service posts. Here again, the Committee found that, as regards professional posts at least, the total number of vacancies is almost the same as the number of new posts requested. In the Office of Conference Services, in particular, for which 18 new posts are requested, there were, in May, 31 vacancies. Quite a number of the new posts would be used for adding to the number of interpreters on the permanent establishment. The Advisory Committee is not convinced that continuing requirements justify, at the present time, such additions. It considers that needs over and above the existing establishment should be met out of funds provided in this section for temporary assistance. At the same time the Committee recognizes the increased volume of work which has been placed upon certain of the other central administrative services, and it agrees that some strengthening is justified.

175. The Committee enquired into the reasons for the permanent vacancy situation. It was given to understand that the main ones were, first, that there were serious recruitment problems, more particularly in connexion with posts in substantive areas, in that many of them required highly specialized qualifications and experience and suitable candidates were difficult to obtain. Secondly, it was provided with statistics which showed that separations (retirement, resignation, etc.) tend to keep pace with the recruitment of new staff.

176. The Advisory Committee is convinced that apart from other reasons it would merely be aggravating the situation if it were to concur in any substantial staff increases for 1968. There is no doubt in its mind that it would be quite unrealistic to expect a complete reversal of past trends in the immediate future.

177. The Committee notes, in Section 3 of the budget document, that "the present working arrangements and procedures of the Office [of Personnel] are kept under constant review..." but that "the present machinery, which it has been found indispensable for the proper discharge of the responsibilities of the Secretary-General in regard to the appointment and pro-

motion of staff, and which involves the frequent and regular servicing of a standing Board, Committee and several subsidiary panels, places a heavy and continuous workload on the staff of this Office". The Secretary-General asks for 10 additional posts to meet this situation. The Advisory Committee is of the opinion that, over the years, practices and procedures in the personnel field have become more and more complex and increasingly cumbersome and that in the present circumstances it would be preferable to take appropriate measures to reduce the workload rather than increase the number of personnel officers. This would call for a simplification of current procedures relating to the recruitment and administration of the staff. The Committee notes that at present, about one third of the staff of the Office of Personnel is concerned with "staff services" and that these officials spend a high proportion of their time preparing the work of the appointment and promotion machinery, including an annual review of the duties and performance of practically every staff member in the professional and general service categories. The Committee was also informed that one of the reasons for delays in recruitment was the time taken by the units involved to produce job descriptions. These are but illustrations of areas in which the Advisory Committee believes that efforts should be made to simplify, streamline and rationalize existing methods and procedures.

178. In conclusion, having in mind in particular the vacancy situation, continuing recruitment difficulties for certain categories of staff, and the funds available in this section for temporary assistance, the Advisory Committee has decided to recommend that the General Assembly approve:

(a) In the professional category and above, a total of 40 new established posts, as against the 150 requested, representing a reduction under chapter I of \$813,000;

(b) In the general service category, a total of 46 new established posts, as against the 142 requested, representing a reduction under chapter I of \$516,800;

(c) In the category of local posts, a credit sufficient to finance 1,026 posts, as against 1,048 requested, representing a reduction in the estimates under chapter I of \$36,900.

179. As regards (a) in paragraph 178 above, the Committee had in mind that the allocation of the new posts might follow the pattern of 10 to the economic and social area (including the International Computing Centre), 8 to the Office of Conference Services and the remainder to other areas, more particularly the central administrative services (including Geneva). As regards (b), the allocation would follow a similar general pattern.

180. As far as (c) is concerned, the Committee would call attention to the fact that it has made a number of observations on local posts, for which there is provision in this and in other sections of the budget, in paragraph 88 of chapter I of this report.

Reclassifications

181. In the course of its examination of the 1968 budget estimates, the Committee was once again impressed by the number of reclassifications proposed by the Secretary-General, at a cost of some \$100,000. They include 64 reclassifications within the professional category and above, 17 from the general service and local

category to the professional category and 24 within the general service category. The Committee noted that apart from these specific proposals, it is the practice of the Organization to use about one half of vacant posts, both new ones and those which become vacant as a result of separations of staff, for promotion purposes. As it has already stated several times in past years, the Committee is in no way opposed to the promotion of staff in recognition of increased responsibilities but it could not agree that a post should be reclassified primarily for the purpose of promoting its incumbent. In the absence of full information as to the Organization's promotion policy, the Committee has the impression that the reclassification of posts is an essential element in the process of promotion.

182. The Committee recommends that the Secretary-General's reclassification proposals be reduced by one half. This would result in a reduction of \$52,600 in chapter I.

Deduction for turnover

183. With regard to the adjustment for turnover, the Advisory Committee notes that a 5 per cent deduction has been applied to the estimated costs of all existing posts in the professional category and above. In the case of new posts, a delayed recruitment deduction of 40 per cent has been applied to professional posts and 20 per cent to general service, local level and manual worker posts.

184. It will be recalled that, upon the recommendation of the Advisory Committee, the deduction for turnover in the case of professional staff was increased from 5 to 6 per cent for 1967. In the light of its observations on the vacancy situation in paragraphs 172-175 and of the recurring annual surplus under Section 3, the Committee recommends that the deduction factor for turnover be maintained at 6 per cent. This would result in an additional turnover deduction of \$354,200.

185. Hitherto the Committee has refrained from recommending a turnover deduction in the case of general service posts on the understanding that there was virtually no delay in filling such posts. Information provided to it showed that there is a vacancy situation, of lesser degree than in the case of professional posts, but nevertheless sufficient to warrant a turnover deduction of 1 per cent for general service posts and the Committee so recommends. This would result in an additional turnover deduction of \$154,000.

186. Thus the total additional turnover deduction for both professional and general service posts would be \$508,200.

Chapter II. Temporary assistance for meetings

	\$
Estimate submitted by the Secretary-General	884,500
Estimate recommended by the Advisory Committee	800,000
1966 (actual expense)	787,901
1967 (appropriation)	936,300

187. This estimate provides for the costs of temporary assistance for (i) the twenty-third session of the General Assembly, and (ii) meetings to be held in Geneva.

188. It should be noted that the increase in the 1967 appropriation over that for 1966 was due, in the main, to the convening of the fifth special session of the General Assembly in May 1967. In the circumstances a comparison with actual expenses in 1966 is more valid.

189. Experience has shown that with better co-ordination of the needs of the various meetings, leading to a more rational use of temporary staff, it is possible to make savings in this chapter. In 1966, for instance, actual expenses were lower than the appropriation by approximately \$50,000. In addition, the Committee believes that it can reasonably expect some economies as a result of the efforts of the Committee on Conferences to obtain a reduction in the number, length and duration of sessions and in the volume of related documentation.

190. The Advisory Committee consequently recommends a reduction of \$84,500 in the estimates for chapter II, which would then stand at \$800,000.

Chapter III. Other temporary assistance

	\$
Estimate submitted by the Secretary-General	2,215,500
Estimate recommended by the Advisory Committee	2,050,000
1966 (actual expense)	1,322,684
1967 (appropriation)	1,950,500

191. The estimates under this chapter provide for (i) general temporary assistance other than for meetings (\$1,269,000); (ii) individual experts and consultants (\$704,000); (iii) *Ad Hoc* expert groups (\$242,500).

192. The estimate for general temporary assistance under sub-chapter (i) shows an increase of \$213,600 over the 1967 figure. This is attributed in the main to the need to provide in 1968 for a temporary group of qualified and experienced staff to prepare a Repertory of Rules of Procedure of the General Assembly and the Third Supplement to the Repertory of Practice of United Nations Organs. The estimate includes a provision of \$208,600 for temporary requirements of the United Nations Joint Staff Pension Fund which is reimbursed in full by the Fund and is reflected in Income section 2.

193. The amount of \$704,000 requested under sub-chapter (ii) provides for the travel and subsistence, fees or other remuneration of persons employed as experts or consultants, particularly in the economic, social and scientific fields on a short-term basis.

194. Sub-chapter (iii) provides for an amount of \$242,500 for travel and subsistence, and, where applicable, fees of members of *Ad Hoc* expert groups.

195. Temporary assistance covered by this chapter is not easy to determine in advance and experience is perhaps the most useful guide. As regards short-term individual experts and consultants and *Ad Hoc* expert groups much depends upon the availability, often at short notice, of suitably qualified people. Experience would tend to show on the one hand that the over-all programme of studies provided for under this chapter is somewhat ambitious and on the other that the services of individual experts and of groups of experts are difficult to obtain. In 1966 there was a surplus of some \$116,000 in this chapter.

196. When examining the estimate for 1968, the Committee noted the sizeable amounts for individual experts and consultants in Sections 19 (UNCTAD), and 20 (UNIDO) and the need for co-ordination of their programmes of expert studies in order to avoid duplication.

197. In the light of the foregoing observations, the Advisory Committee recommends a reduction of \$165,500 in chapter III. At \$2,050,000 the appropriation for this chapter would still be almost \$100,000 above its 1967 level.

Chapter IV. Overtime and night differential

	\$
Estimate submitted by the Secretary-General	831,000
Estimate recommended by the Advisory Committee	831,000
1966 (actual expense)	824,047
1967 (appropriation)	705,500

198. The estimate for overtime and night differential is based on actual expenditure in 1966, when there was a deficit of some \$7,900. The Committee accordingly recommends a provision of \$831,000, the amount requested by the Secretary-General, for 1968.

Section 3 as a whole

199. In the preceding paragraphs, the Advisory Committee has recommended reductions in Section 3 totalling \$2,177,500.

Recapitulation of reductions recommended:

Section 3. Salaries and wages:

Chapter		\$
I. (a) Established posts	1,366,700	
(b) Reduction for reclassifications	52,600	
(c) Reduction for turnover	508,200	1,927,500
II. Temporary assistance for meetings		84,500
III. Other temporary assistance		165,500
IV. Overtime and night differential ..		—
TOTAL REDUCTION		2,177,500

SECTION 4. COMMON STAFF COSTS

	\$
Estimate submitted by the Secretary-General	14,092,000
Estimate recommended by the Advisory Committee	13,585,200
1966 (actual expense)	12,254,740
1967 (appropriation)	13,354,400

200. The estimates under this section for 1968 represent an increase of \$737,600 over the 1967 appropriation. They cover staff allowances, social security and pension fund payments, recruitment, transfer and separation costs and other common staff costs of all units of the Secretariat provided for under Section 3. There is no provision in this section for common staff costs related to staff attached to missions (Section 16); the Office of the High Commissioner for Refugees (Sec-

tion 17); the Registry of the International Court of Justice (Section 18); the United Nations Conference on Trade and Development (Section 19); the United Nations Industrial Development Organization (Section 20) and staff whose salaries have been transferred to revenue-producing activities (Income section 4).

201. Table 10 shows the breakdown of the figures over the six chapters for 1966, 1967 and 1968 and the increases or decreases between 1967 and 1968 and 1966 and 1968.

202. The level of common staff costs depends mainly on the cost of established posts for which provision is made under Section 3 for 1968. Common staff costs amount to 24.98 per cent of the estimate of \$56,423,000 for established posts as compared with 25.41 per cent for 1967 and 24.59 per cent for 1966.

203. More than three quarters of the provision requested under this section cover items of expenditure such as dependency allowances, education grant and related travel under chapter I and social security payments and monthly contributions to the Pension Fund under chapter II. Expenditures on these items, which represent staff entitlements or other payments in accordance with decisions or directions of the General Assembly, depend on the number of cases in which the entitlements arise. The estimates are based on experience, adjusted to reflect any known factors which may affect the requirements.

204. The estimates for recruitment, transfer and separation costs shown in chapters III, IV and V are also based largely on experience, but for these costs the calculations call for a forecast of the number of cases that may arise. The 1968 estimates for professional staff are based on the following figures, as compared with 1966:

	1968	1966
Appointments	278	278
Transfers	100	98
Separations	130	127

205. Recognizing that the estimates under chapters I to V are based mainly on previous years' expenditure and that it is difficult to be precise in estimating these costs, the Committee believes that actual costs in some chapters may be less than estimated.

206. The Committee emphasizes the need to apply strict controls in respect of all statutory provisions leading to expenditure under chapters I to V of Section 4.

207. The Advisory Committee has recommended reductions in the number of new posts requested for 1968, an increase in the turnover factor from 5 to 6 per cent for professional staff and the application of a 1 per cent turnover for general service staff. These recommendations will result automatically in reduced requirements under Section 4 for the various common staff costs directly related to the salary costs. It is estimated that the reductions applicable to Section 4 will amount to \$506,800.

208. As regards chapter VI (Staff training programmes) the Committee has noted that in connexion with the training of Russian language personnel, students were expected to translate an estimated 4,800 pages of official records against some 9,000 pages in previous years. The Committee was informed that the workload related to this task had become too heavy and therefore interfered with the courses.

209. In accordance with the Committee's observations in paragraphs 202 to 207 above, it recommends an appropriation of \$13,585,200 under Section 4, or a reduction of \$506,800 in the estimate submitted by the Secretary-General.

<i>Reduction recommended:</i>	\$
Section 4. Common staff costs	506,800

SECTION 5. TRAVEL OF STAFF

	\$
Estimate submitted by the Secretary-General	2,291,200
Estimate recommended by the Advisory Committee	2,141,200
1966 (actual expense)	1,921,145
1967 (appropriation)	2,014,230

210. The total estimate of \$2,291,200 under this section covers travel of staff to meetings (chapter I)

Table 10

COMMON STAFF COSTS: ANALYSIS BY CHAPTER AND BY YEAR FOR 1966, 1967 AND 1968

Chapter	1968 estimate	1967 appropriation	1966 expenditure	Increase (decrease) between 1967 and 1968	Increase between 1966 and 1968
	\$	\$	\$	\$	\$
I. Staff allowances	3,037,000	2,903,500	2,754,386	133,500	282,614
II. Social security payments	7,651,000	7,091,800	6,609,530	559,200	1,041,470
III. Travel on appointment, transfer and separation	940,000	913,100	869,360	26,900	70,640
IV. Removal expenses on appointment, transfer and separation	709,000	714,900	604,821	(5,900)	104,179
V. Separation payments	1,268,000	1,255,100	1,099,202	12,900	168,798
VI. Staff training programmes	487,000	476,000	317,441	11,000	169,359
TOTAL, Section 4	14,092,000	13,354,400	12,254,740	737,600	1,837,260

Detailed recommendations on the budget estimates

and on other official business (chapter II), and of staff and their dependants on home leave (chapter III). It is based on air economy travel for all staff members except Under-Secretaries and officials of equivalent level and staff at level D-2 who, when travelling on

official business, are normally authorized to travel by first class.³¹ Comparative figures for 1966, 1967 and 1968 are given in table 11 below:

³¹ Decision taken by the Fifth Committee at its 1148th meeting on 16 November 1966 (A/6631, para. 50 (c)).

Table 11

TRAVEL OF STAFF: ANALYSIS BY CHAPTER AND BY YEAR FOR 1966, 1967 AND 1968

Chapter	1968 estimate	1967 appropriation	1966 expenditure	Increase or (decrease) between 1967 and 1968		Increase or (decrease) between 1966 and 1968	
	\$	\$	\$	\$	%	\$	%
I. Travel of staff to meetings ..	161,400	177,580	188,217	(16,180)	(9.11)	(26,817)	(14.25)
II. Travel of staff on other official business	629,000	561,250	505,959	67,750	12.07	123,041	24.32
III. Travel of staff and dependants on home leave	1,500,800	1,275,400	1,226,969	225,400	17.67	273,831	22.32
TOTAL, Section 5	2,291,200	2,014,230	1,921,145	276,970	13.75	370,055	19.26

Chapter I. Travel of staff to meetings

211. The decrease of \$16,180 under this chapter as compared with the 1967 appropriation is partly due to the fact that the 1968 estimates do not include provisions for the United Nations Scientific Committee on the Effects of Atomic Radiation, the Population Commission, the Commission on Human Rights, the Committee for Development Planning and the Committee for Programme and Co-ordination (which accounted for a total of \$24,330 in the 1967 appropriations); and partly by lower estimates for the Economic and Social Council (\$3,000 lower than in 1967) and for ECA Committees, *Ad Hoc* groups of experts and other working groups (\$9,000 down). This decrease is partly offset by provisions for the Sub-Commission on Prevention of Discrimination and Protection of Minorities (\$5,300) and the Commission on the Status of Women (\$6,000) which were not included in the 1967 appropriations, and by higher estimates for the Advisory Committee on Administrative and Budgetary Questions (\$3,000), the Administrative Tribunal (\$400), the United Nations Joint Staff Pension Board (\$2,800), the International Law Commission (\$1,550), the United Nations Consultative Group on the Prevention of Crime and the Treatment of Offenders (\$100), and the Advisory Committee on Science and Technology (\$1,000).

212. The Advisory Committee realizes that if the venue of meetings of a given organ changes from year to year it becomes more difficult to obtain strict comparability. In view of the continuing trend towards higher staff travel costs, however, the Committee hopes that the Secretary-General will be able to effect some economies under this chapter through improved co-ordination in the scheduling and planning of travel.

Chapter II. Travel of staff on other official business

213. Of the total increase of \$67,750 under this chapter as compared with 1967, more than half (\$34,250) is due to higher estimates for Headquarters

departments, the balance being accounted for by the additional requirements of the European Office at Geneva (\$7,500), the Economic and Social Office, Beirut (\$2,000), the Economic Commission for Europe (\$2,000), the Economic Commission for Latin America (\$13,000) and the Economic Commission for Africa (\$9,000).

214. Although economic and social activities at Headquarters, Geneva, and in the regional economic commissions continue to account for the largest part of the expenditure anticipated under chapter II (\$404,000), their share of the estimate has declined from 72 per cent in 1967 to 64 per cent in 1968.

215. The increase over the 1967 appropriation for the chapter as a whole amounts to approximately 12 per cent; the increases in the estimates for some departments, divisions and offices, however, are much higher. The largest increase (calculated as a percentage of the 1967 appropriations) relate to the Division of Human Rights (up 150 per cent from \$5,000 to \$12,500), the Office of the Director for Science and Technology (up 150 per cent from \$1,000 to \$2,500), the Resources and Transport Division (up 114 per cent from \$3,500 to \$7,500), the Division of Narcotic Drugs (up 67 per cent from \$3,000 to \$5,000), General Services, Geneva (up 45 per cent from \$11,000 to \$16,000), the Office of Personnel (up 38 per cent from \$29,000 to \$40,000), the Office of Legal Affairs (up 34 per cent from \$3,500 to \$4,700), and the Economic and Social Office, Beirut (up 33 per cent from \$6,000 to \$8,000).

216. The United Nations share of travel of staff relating to the International Civil Service Advisory Board, the Committee of Experts on Post Adjustments and the Consultative Committee on Administrative Questions, previously included under chapter II, has been transferred to Section 12, chapter X. The 1967 appropriation and the 1966 expenditure relating to these activities were \$2,800 and \$2,000 respectively. The Advisory Committee notes that the 1967 and 1966 figures for Section 5, included for purposes of com-

parison in the 1968 budget estimates, have been adjusted accordingly.

217. The Advisory Committee is disturbed at the further increase in the estimate relating to travel of staff on official business, other than to meetings. It draws the attention of the General Assembly to the fact that excessive travel, especially by senior officials, impairs the effectiveness of work programmes and leads to delays in the production of basic documentation. Both administrative efficiency and budgetary economy demand that the Secretary-General exercise the strictest controls over these expenditures.

218. The Advisory Committee is confident that the Secretary-General will be able to effect economies under chapter II. Accordingly it recommends a reduction of \$50,000 to be applied principally to sub-chapter (i).

Chapter III. Travel of staff and dependants on home leave

219. This chapter now includes travel of staff and dependants on home leave previously charged to Section 17, and excludes such travel by staff of revenue-producing activities and by their dependants, now charged under Income section 4. The costs involved were \$15,400 and \$10,000 respectively in 1967 and \$15,911 and \$2,900 respectively in 1966. The 1967 and 1966 figures included in table 11 have been adjusted for full comparability with the 1968 estimate.

220. Table 12 below indicates the numbers of staff and their dependants entitled to home leave in 1968, 1967 and 1966. It should be borne in mind in this connexion that 1968 will be more closely comparable with 1966 than with 1967 inasmuch as the same groups of

Table 12

	Staff members			Dependants		
	1968	1967	1966*	1968	1967	1966*
Headquarters departments and offices	557	558	560	934	916	931
Geneva office	182	202	186	228	267	259
Information centres	17	16	14	31	44	27
Economic and Social Office, Beirut..	2	4	3	7	10	7
Economic Commission for Europe ..	60	46	44	80	61	59
Economic Commission for Asia and the Far East	37	37	44	78	74	70
Economic Commission for Latin America	43	33	35	125	91	97
Economic Commission for Africa ..	83	40	84	216	115	157
	<u>981</u>	<u>936</u>	<u>970</u>	<u>1,699</u>	<u>1,578</u>	<u>1,607</u>

* Official Records, General Assembly: Twenty-first Session, Supplement No. 5 (A/6305).

staff, broadly speaking, are entitled to home leave in 1966 and 1968.

221. If all staff members entitled to home leave in 1968 exercise their entitlements, the total requirement under this chapter will amount to approximately \$1,785,050. The Secretary-General, on the basis of experience, has requested a lower amount (\$1,500,800) in view of possible deferments and turnover of staff.

222. The Advisory Committee realizes that an eligible staff member cannot be required to forgo a home-leave entitlement. It believes, however, that in practice deferments and turnover of staff will result in lower expenditure than the figure requested by the Secretary-General. Total entitlements in 1968 amount to 2,680 as against 2,577 in 1966 (an increase of 4 per cent), whereas the estimate under chapter III exceeds actual expenditure in 1966 by just over 22 per cent. The Advisory Committee therefore recommends a reduction of \$100,000 under this chapter.

223. The Advisory Committee accordingly recommends an appropriation of \$2,141,200 under Section 5, representing a reduction of \$150,000 in the estimate proposed by the Secretary-General.

Recapitulation of reductions recommended:

Section 5. Travel of staff:

	\$
Chapter II	50,000
Chapter III	100,000
TOTAL REDUCTION	150,000

SECTION 6. PAYMENTS UNDER ANNEX I, PARAGRAPHS 2 AND 3, OF THE STAFF REGULATIONS: HOSPITALITY

	\$
Estimate submitted by the Secretary-General	125,000
Estimate recommended by the Advisory Committee	125,000
1966 (actual expense)	111,383
1967 (appropriation)	121,000

224. The estimate of \$125,000 submitted by the Secretary-General under this section represents an increase of \$4,000 over the 1967 appropriation. It exceeds actual expenses in 1966 by approximately \$13,600. The amounts requested for the three constituent chapters of the section are intended to cover the following:

	\$
I. Payments to Under-Secretaries and Directors under annex I, paragraphs 2 and 3 of the Staff Regulations	80,000
II. Payments to other members of the Secretariat for official hospitality	30,000
III. Hospitality expenditures for the General Assembly and for functions honouring Chiefs of State and visiting dignitaries	15,000

225. The estimate under chapter I is \$4,000 higher than the 1967 appropriation. The proposed increase is directly related to the increase in the number of members of the Secretariat to whom payments may be made under annex I, paragraphs 2 and 3 of the Staff Regulations. The estimates under Chapters II and III are in the same amounts as in 1967.

226. The Advisory Committee notes that expenditures under this section have been subject to strict centralized control. It is confident that the Secretary-General will continue to be guided by the same policy in administering these funds in 1968. It recommends an appropriation of \$125,000 under Section 6 as proposed by the Secretary-General.

Part III. Premises, equipment, supplies and services

SECTION 7. BUILDINGS AND IMPROVEMENTS TO PREMISES

Estimate submitted by the Secretary-General \$ 4,842,200

Estimate recommended by the Advisory Committee 4,772,200
1966 (actual expense) 4,298,239
1967 (appropriation) 4,930,700

227. The estimate of \$4,842,200 submitted by the Secretary-General under this Section for 1968 is \$88,500 below the appropriation for 1967. The 1968 figure includes \$2,500,000 for the amortization of the Headquarters construction loan and \$2,342,200 for alterations, improvement, and major maintenance of premises and facilities at Headquarters, New York, and at Geneva. Comparative figures relating to Section 7 are given in table 13 below:

Table 13

Chapter	1968 estimate	1967 appropriation	1966 expenditure
	\$	\$	\$
I. Amortization of the Headquarters construction loan	2,500,000	2,500,000	2,500,000
II. Alteration, improvement and major maintenance of premises and facilities at:			
(a) Headquarters, New York	660,700	818,700	798,239
(b) Geneva	1,681,500	1,612,000	
	<u>4,842,200</u>	<u>4,930,700</u>	<u>3,298,239</u>

228. As indicated above the estimate under chapter I provides for the annual instalment of \$2,500,000 for the amortization of the Headquarters construction loan of \$65 million as approved in General Assembly resolution 242 (III) of 18 November 1948. After payment of the 1968 instalment, a balance of \$27.5 million will remain outstanding to be liquidated by 1982 in seven annual instalments of \$2,500,000 each, six payments of \$1,500,000 and a final payment of \$1,000,000.

229. The estimate of \$2,342,200 under chapter II includes:

(a) Expenditures on projects proposed in the Architectural and Engineering Survey on the Expansion of the Permanent Headquarters of the United Nations	406,700	
(b) Projects included in the three-year programme for repair and restoration of facilities at Headquarters, New York	128,500	
(c) Projects relating to the extension of the conference facilities at the Palais des Nations, Geneva	1,000,000	
(d) Projects included in the major maintenance and improvement programme for the Palais des Nations	612,000	
(e) Other projects at Headquarters, New York	\$125,500	
and Geneva	69,500	195,000
		<u>2,342,200</u>

Headquarters, New York

230. The results of the Architectural and Engineering Survey on the Expansion of the Permanent Headquarters of the United Nations were reported by the Secretary-General to the General Assembly at its eighteenth session.³² Of the \$406,700 requested in this connexion in the 1968 estimates, almost 85 per cent (\$344,235) relates to the second and final instalment covering the cost of the automation of elevators in the Secretariat building authorized by the General Assembly at its twentieth session; the Secretary-General expects that the projects will be completed in October 1968. Two of the projects—additional means of egress from the General Assembly public lobby (\$10,000) and provision of new lighting for the service drive (\$5,000)—relate to improvements of safety installations. The Advisory Committee would recall that in its report on the budget estimates for 1967³³ it stressed that every effort must be exerted to keep expenditures under Section 7 to the essential minimum, and it expressed the belief that by an imaginative use of the resources recommended the Secretary-General would be able to effect the necessary work at some savings to the Organization. The Committee is therefore gratified to note that further study of the lighting in the service drive has resulted in a reduction equal to 90 per cent of the original estimate of \$50,000.

231. The balance of the funds requested for projects proposed in the Architectural and Engineering Survey relates to alterations to the delegates' cloak room at a cost of \$47,465. The Secretary-General's submission to the General Assembly at its eighteenth session proposed that the cloak room be expanded to double its capacity at a cost of \$41,181. The Advisory Committee agrees that the present cloak room arrangements are inadequate. It believes, however, that the work can be

³² Official Records of the General Assembly, Eighteenth Session, Annexes, agenda item 58, document A/C.5/993.
³³ Ibid., Twenty-first Session, Supplement No. 7 (A/6307), para. 202.

carried out more economically and that further study is needed to determine whether the proposed layout would in fact be the most convenient one. The Committee accordingly recommends that the project be deferred.

232. With regard to the three-year programme for repair and restoration of facilities which the Secretary-General has been authorized to carry out at Headquarters, New York, the 1967 budget estimates³⁴ listed the projects he intended to undertake in 1967 and 1968 at a cost of \$254,100 and \$107,200 respectively (i.e., \$361,300 spread over the two years). The Advisory Committee notes that it has become necessary to advance some of those projects to 1967 and to postpone others until 1968, as a result of which expenditure is now estimated to amount to \$232,800 in 1967 and to \$128,500 in 1968. The Committee notes that the changes in priorities will not affect the total estimates for the two years.

233. Proposed expenditures in New York on projects which are not covered by the two long-term programmes referred to above are as follows:

	\$
(i) Installation of fire extinguishing system in kitchen servicing the delegates' dining room and staff cafeteria	6,000
(ii) Replacement of electric lighting control panels in the General Assembly and conference buildings	8,000
(iii) Replacement of wiring and listening devices in public areas of the meeting rooms	36,000
(iv) Replacement of sound amplification and interpretation equipment in the Security Council chamber and the Economic and Social Council chamber	51,000
(v) Replacement of worn carpeting (\$14,500) and drapes (\$10,000)	24,500
	<hr/> 125,500 <hr/>

234. The estimate of \$36,000 for the replacement of wiring and listening devices in the Trusteeship Council Chamber and the General Assembly hall relates to the third instalment of a programme covering public areas of the meeting rooms begun in 1966. In its report on the budget estimates for 1966³⁵ the Advisory Committee concurred in an expenditure of \$15,000 for Conference Room 4. In 1966 the Committee recommended approval of a programme of maintenance which included an estimate of \$20,000 for the replacement of wiring and listening devices in the Trusteeship Council Chamber.³⁶ On that occasion the Committee had before it a schedule giving the details of a replacement programme covering the General Assembly Hall, the three Council Chambers and Conference Rooms 1, 2 and 3, to be completed by 1970 at a total estimated cost of \$155,000.³⁷ The Committee notes that owing to delays in the delivery of the equipment ordered for the Trusteeship Council Chamber, work estimated to cost \$6,000, originally scheduled for 1967, will have to be carried out in 1968, with a consequential saving in 1967. The balance of the estimate requested for 1968

(\$30,000) represents the cost of equipment for use in the General Assembly Hall. It is proposed to install this equipment in 1969 at a cost of \$17,000. The Committee learned with concern that the total cost of the work to be done in the General Assembly Hall is thus estimated to amount to \$47,000, or 17.5 per cent above the original figure of \$40,000 indicated in the 1967 budget estimates.

235. In its report to the General Assembly on the budget estimates for the financial year 1967, the Advisory Committee³⁸ agreed that the Secretary-General be authorized, *inter alia*, to replace the sound amplification and interpretation equipment in the Security Council Chamber at a cost of \$35,000. The Committee notes that because of expected delays in the delivery of equipment, the actual installation will have to be deferred until 1968 at an estimated cost of \$6,000, with a consequential saving of that amount in 1967. In the budget estimates for the financial year 1967³⁹ the Secretary-General indicated that the sound amplification and interpretation equipment in the Economic and Social Council Chamber would also need replacement in a subsequent year. This project has now been included in the estimates for 1968 at a cost of \$45,000, giving a total requirement of \$51,000 for these two Chambers in 1968.

236. The estimates for 1968 include an amount of \$14,000 for the replacement of worn carpeting in various parts of the Headquarters buildings and \$10,000 for the replacement of curtains in the Trusteeship Council Chamber and of wall coverings in the Security Council Chamber. At its twentieth and twenty-first sessions the General Assembly appropriated a total of \$26,000 to be spent in 1966 and 1967 for the replacement of worn carpeting. The Advisory Committee understands that the replacement programme is being carried out as economically as possible.

237. The Advisory Committee notes that the Secretary-General considers that the mechanical means of voting has proved its usefulness in the General Assembly Hall, and that, if the General Assembly decides in principle at its twenty-second session that similar installations be made in Conference Room 2 or 3, the necessary provision would be included in the initial budget estimates for 1969.

Palais des Nations, Geneva

238. The estimate of \$1,000,000 for the extension of the conference facilities at the Palais des Nations, Geneva, has been included pursuant to General Assembly resolution 2246 (XXI) in operative paragraph 4 whereof the Assembly decided to finance the programme in such a way that the amount to be met from the budget estimates in successive years over the period 1967 to 1980 would be \$1,000,000 annually in 1967-1974, \$1,500,000 for each of the years 1975-1979, and \$495,000 for the year 1980.

239. The estimate of \$612,000 for the long-term programme of major maintenance and improvement of the Palais des Nations relates to a decision taken by the General Assembly at its twentieth session⁴⁰ on

³⁴ *Ibid.*, Twenty-first Session, Supplement No. 5 (A/6305), table 7-3.

³⁵ *Ibid.*, Twentieth Session, Supplement No. 7 (A/6007), para. 228.

³⁶ *Ibid.*, Twenty-first Session, Supplement No. 7 (A/6307), paras. 199 and 201.

³⁷ *Ibid.*, Supplement No. 5 (A/6305), table 7-2.

³⁸ *Ibid.*, Supplement No. 7 (A/6307), paras. 199 and 201.

³⁹ *Ibid.*, Twenty-first Session, Supplement No. 5 (A/6305), para. 7.9.

⁴⁰ *Ibid.*, Twentieth Session, Annexes, agenda item 76, document A/6223.

the recommendation of the Advisory Committee,⁴¹ to approve the long-term programme in principle, subject to annual review. The Assembly further decided to finance the programme through equal provisions of approximately \$611,775 annually to be included in the budget estimates during the period 1967-1974. The estimate of \$612,000 for 1968 constitutes the second annual instalment. The Advisory Committee notes that a progress report on the programme will be submitted to the General Assembly at its twenty-second session.

240. In addition to the two long-term programmes referred to above, the 1968 budget estimates list the following projects at the Palais des Nations, Geneva:

	\$
(i) Installation of electronic fire and flood alarm systems in the central telephone exchange and of electronic fire alarm system in the library	32,500
(ii) Repairs to the Chalet de Montboven	10,000
(iii) Restoration of the Armillary Sphere and pool	9,000
(iv) Repair and maintenance to the central heating system	8,000
(v) Installation of sound insulation on air-conditioning system of room XVI	8,000
(vi) Replacement of carpeting	2,000
	<u>69,500</u>

241. The installation of electronic fire and flood alarm systems in the central telephone exchange is estimated to cost \$12,500, and of an electronic fire alarm system in the library \$20,000. A proper alarm system is an essential feature of any building which is used by large numbers of staff or which houses expensive equipment. The Advisory Committee has been informed that the installation to be used in the library was not available when the library building was erected, and that the need for the flood alarm system in the central telephone exchange became apparent only when the excavation work was under way.

242. The estimates for 1968 include provisions totalling \$19,000 for repairs and restoration of the Chalet de Montboven, a wooden chalet of historical interest in the grounds of the Palais des Nations, which is now being used as a gardeners' tool shed, and of the Armillary Sphere and pool. The Advisory Committee considers that these items might have been included in the regular maintenance programme.

243. As can be seen from paragraph 238 above, the 1968 budget estimate includes an amount of \$612,000 in respect of the long-term programme of major maintenance and improvement of the Palais des Nations, Geneva, approved by the General Assembly at its twentieth session. The work to be carried out in 1968 will include improvements in room XVI (*\$30,000) and maintenance of the central heating system (\$87,000).⁴² The latter is part of a three-year project to be carried out in 1967-1969 at a total cost of \$360,000. Despite that fact, the estimates for 1968 include a further request for \$8,000 for the reconditioning of a boiler, and for the painting of a number of expansion tanks. The Committee would like to stress that this work—which is of a non-emergency nature—might also have been foreseen and included in the

three-year programme. Similarly, the cost of insulating the air-conditioning system in room XVI should have been taken into account when the long-term programme was being compiled.

244. The Advisory Committee has no objection to any of the additional projects proposed for Geneva. In the light of its foregoing remarks, however, it recommends that the repairs to the Chalet de Montboven (\$10,000) and the restoration of the Armillary Sphere and pool (\$9,000) be financed out of the totality of the funds earmarked for the long-term programme of major maintenance and improvement of the Palais des Nations, which was approved in principle by the General Assembly at its twentieth session, and that a further amount of \$3,535 be absorbed in respect of the other additional projects in Geneva. Accordingly the Advisory Committee recommends a reduction of \$22,535 in the estimate for Geneva.

245. In conclusion the Advisory Committee would like to stress yet again the need for a well-conceived and realistic maintenance programme which, as the Committee indicated in its reports on the budget estimates for 1966 and 1967, is essential to sound economical budgeting.

246. Taking all the foregoing observations into account, the Advisory Committee recommends an appropriation of \$4,772,200 under Section 7, representing a reduction of \$70,000 in the estimate submitted by the Secretary-General.

Recapitulation of reductions recommended:

	\$
Section 7. Building and improvements to premises:	
Chapter II. Alteration, improvement and major maintenance of premises and facilities at:	
(a) Headquarters, New York	47,465
(b) Geneva	22,535
	<u>70,000</u>

SECTION 8. PERMANENT EQUIPMENT

	\$
Estimate submitted by the Secretary-General	625,000
Estimate recommended by the Advisory Committee	567,500
1966 (actual expense)	521,604
1967 (appropriation)	633,900

247. This section provides for the acquisition and replacement of furniture and equipment at all offices of the United Nations, with the exception of special missions, the International Court of Justice and the United Nations Industrial Development Organization, for which separate provision has been made under Sections 16, 18 and 20 respectively. The standard office furniture requirements of UNCTAD have been included under chapter I in accordance with the practice begun in 1967.

248. The total estimate of \$625,000 for 1968 shows a decrease of \$8,900 as compared with the 1967 appropriations, distributed as follows between the offices concerned:

⁴¹ *Ibid.*, Annexes, agenda item 76, document A/6137, para. 26.
⁴² *Ibid.*, Twenty-first Session, Supplement No. 5 (A/6305), table 7-4.

Detailed recommendations on the budget estimates

Increase (or decrease). 1968 estimates compared with 1967 appropriations

Office	\$
Headquarters	11,200
Geneva Office (including the Economic Commission for Europe)	14,400
Information centres	2,200
Economic and Social Office in Beirut	800
Economic Commission for Asia and the Far East	(6,100)
Economic Commission for Latin America	(8,000)
Economic Commission for Africa	(23,400)
TOTAL	(8,900)

249. A comparison of the 1968 estimates with the 1967 appropriations and actual expenditures in 1966 and 1965, by chapter and year, is given in table 14 below:

250. The total estimate of \$625,000 is intended to cover (a) the replacement of obsolete or worn-out equipment, for which the Secretary-General has requested \$409,200; and (b) the acquisition of additional equipment in the amount of \$215,800.

251. It was explained to the Advisory Committee that budgetary limitations over the past several years have considerably curtailed normal replacement pro-

Table 14

Chapter	1968 estimates	1967 appropriation	1966 expenditure	1965 expenditure	Increase or (decrease) 1968 compared with 1967
	\$	\$	\$	\$	\$
I. Furniture and fixtures	137,200	150,100	169,043	123,844	(12,900)
II. Office equipment	198,400	164,600	147,947	161,223	33,800
III. Internal reproduction equipment	71,000	117,400	51,167	62,163	(46,400)
IV. Telecommunications equipment	114,600	101,900	56,167	65,027	12,700
V. Transportation equipment	37,300	48,600	30,622	29,227	(11,300)
VI. Other equipment	66,500	51,300	66,658	40,971	15,200
TOTAL, Section 8	625,000	633,900	521,604	482,455	(8,900)
Income from sale of equipment	49,500	52,800	55,714	45,797	(3,300)

grammes with a consequential need for the replacement of a large accumulation of old, obsolete and unserviceable equipment. The Committee has always advocated a planned policy of replacement, on the basis of carefully worked out standards and designed to retain in use all serviceable items. Accordingly, the Advisory Committee would be inclined to recommend in principle that the replacement programme as proposed by the Secretary-General be approved. At the same time the Committee expects that this programme will not be frustrated through the diversion of appropriated funds to the acquisition of new furniture and equipment.

252. The Advisory Committee notes that the estimates under chapters I and II include a total of \$80,850 linked directly to the proposed increases in the manning table at Headquarters (\$39,900), Geneva (\$10,000), the Economic Commissions for Africa (\$16,500), and Asia and the Far East (\$12,650) and the Economic and Social Office, Beirut (\$1,800). In view of the reduction in new posts recommended by the Committee under Section 3 (see para. 178) and bearing in mind recruitment delays the Advisory Committee recommends a curtailment of the acquisition programme especially at Headquarters where furniture and equipment now used by the staff of UNIDO will be made available upon that organization's forthcoming move to Vienna. Accordingly, the Advisory Committee recommends a reduction of \$51,900 under chapters I and II.

253. As regards chapter IV, Telecommunications equipment, the Committee notes that the 1968 estimate represents a further increase of \$12,700 over the 1967 appropriation which, in its turn, was 81 per

cent above actual expenses in 1966. Of the total estimate of \$114,600, \$81,100 relates to the Office of Public Information, comprising \$38,900 for acquisition and \$42,200 for replacement. The Advisory Committee draws attention to the desirability of a carefully planned acquisitions programme. Pending the forthcoming reappraisal of the activities of the Office of Public Information as a whole, it recommends a reduction of \$5,600 in the estimate for chapter IV.

254. In the light of the foregoing observations, the Advisory Committee recommends an appropriation of \$567,500, or a reduction of \$57,500, in the estimates proposed by the Secretary-General.

Recapitulation of reductions recommended:

Section 8. Permanent equipment:	\$
Chapter I. Furniture and fixtures }	51,900
Chapter II. Office equipment }	5,600
Chapter IV. Telecommunication equipment	5,600
TOTAL REDUCTION	57,500

SECTION 9. MAINTENANCE, OPERATION AND RENTAL OF PREMISES

	\$
Estimate submitted by the Secretary-General	4,146,800
Estimate recommended by the Advisory Committee	4,100,000
1966 (actual expense)	3,911,175
1967 (appropriation)	3,981,500

Detailed recommendations on the budget estimates

255. Table 15 below gives a breakdown by chapter of the 1968 estimates, 1967 appropriations and 1966 expenditures. It should be noted in this connexion that the 1967 and 1966 figures for the section have been adjusted throughout by excluding the custodial and maintenance posts at ECAFE and information centres in order to make those figures comparable with the 1968 estimates in which the posts in question are included in Section 3, chapter I. The totals for these posts amounted to \$19,000 in 1967 and \$17,910 in 1966.

256. The total estimate under this section represents an over-all increase of \$165,300 as compared with the 1967 appropriation and \$235,625 over actual expenditures in 1966. The level of services proposed for 1968, however, can best be judged by comparing the 1968 estimates with 1966 expenditures adjusted to take account of estimated rate and wage increases at Headquarters in 1967 in the amount of \$99,050, which brings the 1966 figure up to \$4,010,225. Table 16 gives an analysis of the requirements by office and by year for 1966, 1967 and 1968.

Table 15

MAINTENANCE, OPERATION AND RENTAL OF PREMISES: ANALYSIS BY CHAPTER AND BY YEAR FOR 1966, 1967 AND 1968

Chapter	1968 estimate	1967 appropriation	1966 expenditure
	\$	\$	\$
I. Contractual services	2,207,000	2,190,800	2,183,377
II. Utilities	1,133,700	1,052,700	1,065,220
III. Other expenses	806,100	738,000	662,578
TOTAL, Section 9	4,146,800	3,981,500	3,911,175

Table 16

MAINTENANCE, OPERATION AND RENTAL OF PREMISES: ANALYSIS BY OFFICE AND BY YEAR FOR 1966, 1967 AND 1968

	1968 estimate (1)	1967 appropriation (2)	1966 expenditure (3)	1966 expenditure adjusted to take account of subsequent wage and rate increases (4)	Increase or (decrease) between 1966 (column 4) and 1968 (column 1) (5)
Headquarters	3,409,000	3,333,000	3,339,172	3,438,222	(29,222)
Geneva (including the Economic Commission for Europe)	392,000	381,000	282,939	282,939	109,061
Economic and Social Office in Beirut	19,700	16,000	18,871	18,871	829
Economic Commission for Africa	68,000	64,000	63,350	63,350	4,650
Economic Commission for Asia and the Far East	55,500	35,500	22,526	22,526	32,974
Economic Commission for Latin America	115,600	67,000	101,178	101,178	14,422
Information centres	87,000	85,000	83,139	83,139	3,861
TOTAL, Section 9	4,146,800	3,981,500	3,911,175	4,010,225	136,575

257. Chapter I (Contractual services) shows an increase of \$16,200 as compared with the 1967 appropriation and a decrease of \$42,677 as compared with the adjusted 1966 expenditure (\$2,249,377). This decrease is mainly due to the saving in respect of reduced requirements for the operation and maintenance of elevators in the Secretariat building at Headquarters which will have been converted to an automated system by October 1968; beyond that date it is proposed to retain for an experimental period the services of a small number of supervisors and starters in the Secretariat building. The decrease is partly offset by increases at Headquarters of \$50,779 for electrical maintenance, \$10,246 for telecommunications operation and maintenance for conferences, and \$24,673 for cleaning services,

as compared with the adjusted 1966 expenditure figures. The over-all estimate under chapter I for Headquarters amounts to \$2,067,000, \$46,830 below the adjusted 1966 expenditure. The estimate of \$94,000 at Geneva represents a decrease of \$2,923 as compared with the adjusted 1966 expenditure. The estimate under chapter I for the Economic and Social Office at Beirut shows an increase of \$314 over the 1966 figure. The estimate for the Economic Commission for Latin America is \$5,113 higher than the adjusted 1966 expenditure of \$9,887, the increase being attributable to the larger maintenance requirements for the new building at Santiago, as compared with the former rented premises. The increase in the case of the Economic Commission for Africa is \$1,649 over the adjusted 1966 figure of

\$27,351. No provision under chapter I is made for ECAFE, as it is proposed that the custodial and maintenance personnel should receive regular United Nations appointments as from 1968.

258. The estimate under chapter II (Utilities) is \$81,000 higher than the 1967 appropriation and \$35,730 above the adjusted 1966 expenditure. The estimate of \$935,000 for Headquarters represents an increase of \$38,000 as compared with the 1967 appropriation and a decrease of \$18,285 as compared with the adjusted 1966 expenditure; this decrease results from a decision whereby the expenses for electricity incurred by the United Nations Development Programme in premises occupied outside the Headquarters building are no longer being met from the regular budget with effect from 1 January 1967. The Geneva estimate of \$100,000 is \$1,000 higher than the 1967 appropriation and \$2,243 above the adjusted 1966 expenditure. Very substantial increases have been requested under chapter II for the Economic Commissions for Asia and the Far East and for Latin America. The estimate for the former, at \$28,500, represents an increase of \$13,500 over the 1967 appropriation and \$17,923 over the adjusted 1966 expenditure; the estimate for the latter (\$50,000) is \$29,000 higher than the 1967 appropriation and \$32,804 above the adjusted 1966 expenditure. The increase at Bangkok is attributable to the greater use of air conditioning units in Sala Santitham and the annex, and at Santiago it is the result of the move of ECLA into the new building. The estimate under chapter II for the Economic Commission for Africa is, at \$22,000, \$2,000 above the 1967 appropriation and \$3,307 in excess of the adjusted 1966 expenditure.

259. Chapter III (Other expenses) reflects an increase of \$68,100 over the 1967 appropriation and \$143,522 over the adjusted 1966 expenditure. The estimate of \$407,000 for Headquarters is \$30,500 higher than the 1967 appropriation and \$35,893 above the adjusted 1966 expenditure. The increase, which is spread over five of the six sub-chapters, is attributable to anticipated increases in the costs of supplies and services. The estimate for Geneva (\$198,000) is \$6,000 above the 1967 appropriation and \$109,741 higher than the adjusted 1966 expenditure; the increases in 1967 and 1968 as compared with the adjusted expenditure in 1966 are due to the need for renting office accommodation outside the Palais des Nations as a consequence of the anticipated heavy conference programme. The estimate under chapter III for the Economic Commission for Asia and the Far East amounts to \$27,000; it is \$6,500 higher than the 1967 appropriation and \$15,051 above the adjusted 1966 expenditure. The increase is largely attributable to the rental of premises for the Asian Industrial Development Council. The estimate for the Economic Commission for Latin America (\$50,600) is \$15,600 above the 1967 appropriation but \$23,495 below the adjusted 1966 expenditure; this decrease is due to the move of ECLA into the Santiago building; the increase over the 1967 figure is partly attributable to higher rents payable at Mexico City, Montevideo and Washington, D. C. The estimate of \$17,000 for the Economic and Social Office, Beirut, is \$3,000 above the 1967 appropriation and \$277 higher than the adjusted 1966 figure. The estimate for the Economic Commission for Africa, amounting to \$17,000, is \$2,000 above the 1967 appropriation and \$306 below the adjusted 1966 expenditure. The esti-

mate of \$87,000 for information centres is \$2,000 above the 1967 appropriation and \$3,861 above the adjusted 1966 expenditure, the increase being attributable to higher rentals after allowing for contributions received from host Governments towards the rental of premises and the operation and maintenance of the centres located in their respective countries. In connexion with the information centres it should be borne in mind that ten posts for manual workers previously carried under Section 9, chapter III, have been transferred to Section 3, chapter I, in the 1968 estimate; the 1966 and 1967 figures have been adjusted to ensure comparability.

260. As part of its review of expenditures pertaining to Section 9, the Advisory Committee obtained from the Secretary-General up-to-date information on the consolidation of premises and assistance from host Governments in respect of information centres and UNDP offices. In past years, the Committee has repeatedly drawn attention to the financial benefits accruing from increased sharing of accommodation and services by offices of organizations in the United Nations family, and from the provision by host Governments of rent-free or rent-assisted premises for the combined offices. The Committee is appreciative of the efforts which the Secretary-General has continued to make towards that end.

261. In so far as the fifty-one United Nations Information Centres are concerned, there are now only ten cities in which the host Governments make no contribution to the rent of the premises. A comparison with the position in December 1963 is given in table 17 below:

Table 17

	1967	1963
Premises provided free of charge, or rental costs fully reimbursed by Governments	33	26
Part of rental costs paid by Governments	3	2
Premises provided by United Nations or a specialized agency	3	2
United Nations pays all rental costs	10	14
Centres expected to be established in 1967	2	—
	51	44

Twenty-six of the 49 UNIC offices now open are located in shared accommodation.

262. The position with regard to the 94 UNDP offices for which information has been supplied to the Committee can be summarized as follows:

	Government contribution to rent			
	All	Part	None	Totals
In shared accommodation	31	14	5	50
In separate accommodation	26	12	6	44
TOTAL	57	26	11	94

263. The Advisory Committee is grateful to the host Governments which have generously provided rent-free or rent-assisted premises and services for United Nations offices. Having examined recent progress in this area, it wishes to put on record its profound appreciation of the action of the Government of the Republic of Niger which handed over to the United

Nations in December 1965 a building at Niamey which had been constructed and equipped entirely at the Government's own expense and which has been made available to the United Nations family rent-free. The Committee is also grateful to the Government of Austria and to the Swiss Federal Government and the Republic and Canton of Geneva for the very substantial expenditure they have agreed to undertake in connexion with the provision of premises to UNIDO in Vienna, and the extension of conference facilities at the Palais des Nations, Geneva, respectively. The Committee learned with satisfaction that the foundation stone of an extension to the building in Colombo to be erected at the expense of the Government of Ceylon has been laid by the Secretary-General.

264. The progress made in some areas, however, should not blind one to the need for further efforts especially in the cities where high rentals are now paid. The Advisory Committee understands the reasons why United Nations offices must be located in the central, high-rent, parts of the cities. It appreciates that buildings originally designed as private residences or apartment houses do not provide the most efficient working conditions for United Nations staff. In this connexion the Committee would like to stress the need for proper planning, lack of which can have serious budgetary repercussions. For instance, the Advisory Committee has learnt with concern that pressure on space in the newly completed United Nations building at Santiago, Chile, is such that it has not proved possible to offer accommodation to specialized agencies as originally intended; moreover, the design of the building does not lend itself to expansion.

265. The Committee also notes with regret that no progress has been made in eleven of the 21 common premises projects previously reported to it⁴³ as being in various stages of negotiation or consideration. It agrees with the Secretary-General that the amount of financial and other assistance which host Governments are able to provide will determine the rate of progress in the consolidation of premises, and it appreciates that those Governments must choose between competing projects in allocating their available financial resources. The Advisory Committee relies on the Secretary-General to continue to explore every possibility of promoting the most rational and economical use of premises and facilities by United Nations organizations.

266. In its consideration of the estimates under Section 9 the Advisory Committee was concerned at the continuously rising cost of contractual services, an area over which the Secretary-General can exercise little control. The Committee understands that the relative costs of having services performed by contractors and by staff members are constantly kept under review by the Secretary-General and that, despite recent and anticipated increases in contract prices, contractual services are still economically more advantageous than the employment of extra staff, in addition to providing greater flexibility.

267. The Advisory Committee wishes to reiterate its appeal to all offices to ensure the utmost economy

in the use of utilities, an area which does lend itself to strict administrative control.

268. In the light of the foregoing observations, the Advisory Committee recommends an appropriation of \$4,100,000 for Section 9 for 1968, representing a reduction of \$46,800 in the estimate submitted by the Secretary-General. The Committee realizes that it may prove difficult to apply a meaningful reduction under chapter I, and suggests that the reduction be applied to chapter II and, more particularly, to chapter III, where stricter administrative controls may result in economies.

Reduction recommended:

Section 9: Maintenance, operation and rental of premises	\$ 46,800
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SECTION 10. GENERAL EXPENSES

Estimate submitted by the Secretary-General	\$ 5,710,900
Estimate recommended by the Advisory Committee	5,535,000
1966 (actual expense)	5,183,863
1967 (appropriation)	5,124,600

269. This section covers the cost of general services and supplies and the rental and maintenance of equipment at Headquarters, Geneva, the information centres, the Economic and Social Office at Beirut, and the regional economic commissions.

270. The 1968 estimate shows an increase of \$586,300 on the 1967 provision and is \$527,037 above actual 1966 expenditures. Taking account of estimated wage and rate increases since the beginning of 1967 amounting to \$68,390, the increase over the adjusted figure for 1966 is \$458,647. The 1968 estimate of \$5,710,900, with comparable figures for 1966 and 1967, is distributed between Headquarters and the other offices as shown in table 18.

271. Table 19 shows the breakdown of figures under the various chapters over the years 1966, 1967 and 1968.

272. In considering the over-all increase of \$586,300 for 1968 as compared with the 1967 appropriations, or \$458,647 over the adjusted 1966 expenditure level, the Advisory Committee has taken into account a review by the Secretary-General of the status of the 1967 budget at 30 April 1967, which indicated an anticipated deficit under this section of some \$260,000. This is due mainly to additional requirements for internal reproduction supplies, higher costs for postage, telephone and cable services, rental and maintenance of office equipment, and insurance costs in connexion with the new premises in Santiago.

273. Table 18 indicates that the 1968 increases above the 1966 adjusted level occur at Headquarters (\$273,621), the Economic Commission for Latin America (\$101,174), the other regional offices (\$21,624), Geneva (\$61,338) and the Information Centres (\$890).

274. As regards Headquarters, the principal components of the Secretary-General's additional request in round figures are: (a) \$154,700 under chapter II (Rental and maintenance of equipment), to provide mainly for increased costs of the rental of data processing equipment due principally to the installa-

⁴³ *Ibid.*, Nineteenth Session, Supplement No. 7 (I./5807), para. 223; *Ibid.*, Twentieth Session, Annexes, agenda item 82, document A/5859, para. 45 (g) and (h).

Table 18

GENERAL EXPENSES: ANALYSIS BY OFFICE AND BY YEAR FOR 1966, 1967 AND 1968

	1968 estimate (1)	1967 appropriation (2)	1966 expenditure (3)	1966 expenditure adjusted to take account of subsequent wage and rate increases (4)	Increase between 1966 (column 4) and 1968 (column 1) (5)
	\$	\$	\$	\$	\$
Headquarters	4,140,200	3,720,700	3,828,179	3,866,579	273,621
Geneva	624,000	580,000	536,162	562,662	61,338
Information centres	217,000	220,900	216,110	216,110	890
Economic and Social Office, Beirut	9,800	9,300	7,228	7,228	2,572
Economic Commission for Af- rica	304,000	283,900	303,227	303,227	773
Economic Commission for Asia and the Far East	132,000	115,800	113,721	113,721	18,279
Economic Commission for Latin America	283,900	194,000	179,236	182,726	101,174
TOTAL, Section 10	5,710,900	5,124,600	5,183,863	5,252,253	458,647

Table 19

GENERAL EXPENSES: ANALYSIS BY CHAPTER AND BY YEAR FOR 1966, 1967 AND 1968

Chapter	1968 estimate	1967 appropriation	1966 expenditure
	\$	\$	\$
I. Communications	1,648,000	1,471,600	1,543,255
II. Rental and maintenance of equipment ...	987,900	881,000	798,200
III. Public information supplies and services...	1,333,000	1,284,000	1,299,378
IV. Other supplies and services	272,500	244,500	248,955
V. Office and internal reproduction supplies ..	1,250,700	1,054,700	1,125,247
VI. Library books, supplies and services	218,800	188,800	168,828
TOTAL, Section 10	5,710,900	5,124,600	5,183,863

tion of the more up-to-date 360/30 system; (b) \$96,800 under chapter V (Office and internal reproduction supplies) as a result of higher requirements for data processing forms and paper and supplies for internal reproduction; (c) \$34,100 under chapter VI (Library books, supplies and services) arising in part from the commencement of a three-year binding programme to eliminate arrears and in part from the higher costs of books and subscriptions; partially offset by anticipated lower levels of expenditure under chapter I (Communications—\$4,100) and chapter IV (Other supplies and services—\$13,100).

275. At the Geneva Office, a total increase of some \$61,300 affects all the chapters under this section, comprising \$6,900 under chapter I (Communications) due principally to higher rates for telephone subscription services as well as to increased requirements for long-distance calls arising from the larger number of conferences to be serviced by that office, and to increases anticipated in freight and insurance rates; \$12,000 under chapter II (Rental and maintenance of equipment) due in part to the rental of electronic computer equipment and in part to the increased requirements for additional office equipment; \$17,700 under chapter

IV (Other supplies and services) relating in large part to the increased United Nations share of the Joint Medical Scheme; \$18,200 under chapter V (Office and internal reproduction supplies); \$6,500 under chapter VI (Library books, supplies and services) attributable to higher costs of books and subscriptions as well as to the expansion of the Geneva activities.

276. The provision for the Information Centres shows a net increase of \$890 over the adjusted 1966 expenditure but is \$3,900 below the 1967 appropriation.

277. At the Economic and Social Office in Beirut there is a net increase under all chapters of some \$2,600 over the 1966 adjusted level of expenditure, but only some \$500 over the 1967 appropriation.

278. At ECLA an additional \$101,200 has been requested for 1968 as a consequence of (a) greatly increased requirements (\$77,800) for chapter I (Communications) due in large measure to higher costs of telephone services in the new Headquarters building, of which almost one third (\$30,400) will be reimbursed by the Latin American Institute and credited to Income section 3; (b) \$9,100 under chapter IV (Other supplies and services) arising from the cost of premiums

for general insurance coverage at the new building, a portion of which is reimbursable by the Latin American Institute; and (c) \$11,800 under chapter V (Office and internal reproduction supplies), which includes \$6,000 for the internal reproduction of the statistical bulletin previously included in the publications programme under Section 11.

279. At ECAFE the net increase of almost \$18,300 is mainly attributable to additional computer time requirements for processing statistical and accounting data under chapter II (Rental and maintenance of equipment). Of the balance, \$2,700 is required under chapter V (Office and internal reproduction supplies), and \$3,000 under chapter VI (Library books, supplies and services).

280. At ECA there is a net increase of \$770 representing additional requirements of almost \$7,400 under chapter II (Rental and maintenance of equipment); \$9,500 under chapter IV (Other supplies and services); \$3,800 under chapter VI (Library books, supplies and services), offset by decreases of \$15,300 under chapter I (Communications) and \$4,600 under chapter V (Office and internal reproduction supplies).

281. While the Advisory Committee realizes that increased requirements for this Section reflect in part increased rates and in part a higher level of activity at Headquarters, the regional offices and the information centres, it must nevertheless express its concern over the continuing rise in these expenses over the years. It must reiterate therefore the appeal for restraint, and for special efforts by the Secretariat to institute, maintain and reinforce effective controls at Headquarters and at the other offices.

282. Of the increase of some \$105,000 for Communications (chapter I) over the adjusted 1966 expenditure level, some \$76,000 relates to the higher costs of telephone services in the new ECLA premises. In view of this substantial increase the Committee hopes that efforts will be made to negotiate with the Chilean authorities special rates for these services in Santiago.

283. The Advisory Committee is of the opinion that there is need for continuing efforts to ensure that the use of cables, long-distance telephone calls, pouch and air shipments is limited to exceptional cases only. Substantial reductions could result from energetic measures along these lines, which would impress upon staff in all offices the need for restraint in these matters. The Advisory Committee also believes that savings can be effected in the cost of communications for the activities of the Office of Public Information, and accordingly recommends a reduction of \$15,000 under chapter I.

284. The estimate of \$987,900 for Rental and maintenance of equipment (chapter II) shows an increase of \$106,900 over the 1967 appropriation and of \$189,700 over the 1966 expenses. The major portion of this increase relates to the rental of more up-to-date processing equipment (a 360/30 computer will replace the less versatile 1401 system in August 1967) for the International Computing Centre. In accordance with the request contained in paragraph 240 of its report on the budget estimates for 1967⁴⁴ the Committee has received the operation of the Centre are estimated to amount additional information on the total implications of the operations of the Centre. The direct costs related to

to a total of \$1,192,800; this figure includes the costs of established posts, temporary assistance, overtime and night differential (\$431,800) under Section 3, as well as the rental of data processing equipment (\$661,000) and data processing forms and supplies (\$100,000) under Section 10.

285. The Committee is concerned at the magnitude of these expenses and the fact that estimates related to the operations of the International Computing Centre have continued to rise during the last years. It suggests that the Secretary-General keep under strict review the Centre's operations and financial requirements. The Committee understands that there will be further changes in the equipment during 1967. It expresses the hope therefore that once the Centre is fully operative the Secretary-General will submit a report in depth on the operations and their total financial implications together with indications of the extent to which savings originally envisaged have been realized. Finally, the Committee wishes to point out that expenses shown under Section 10 for the Centre indicate considerable staff requirements. It suggests that in future such information be given in the form of a footnote to Section 3.

286. The estimate of \$1,333,000 for Public information supplies and services (chapter III) shows an increase of \$49,000 over the 1967 appropriation. The increase compared to the adjusted figure for 1966 amounts to some \$5,200. Revenue from television and similar services estimated at \$350,000 for 1968 show a slight decrease as compared with the appropriation for 1967 (\$353,300). The Advisory Committee offers comments on this item in its observations concerning Income section 3 (para. 427).

287. The increase of \$5,200 over the adjusted figure for 1966 is attributed solely to increases in wages and additional fringe benefits for contractual telecommunication engineers as well as to a rise in the cost of printing. The level of these increases has been kept down as a result of adjustments in the costs for radio services. The breakdown of the increase of \$5,222 over the main elements covered by this chapter is as follows:

	\$
(a) Telecommunications supplies and services	11,994
(b) Films, photographic supplies and services	4,008
(c) Television services	(731)
(d) Radio services	(16,645)
(e) Publications services	6,596
TOTAL INCREASE	5,222

288. The expenses shown under chapter III lend themselves to strict administrative control by the Secretary-General, which should include a review of requirements so that expenses can be kept to a minimum. While the Committee recognizes that costs of services and supplies are expected to rise during 1968, it is convinced that a review of the activities will result in savings. It recommends therefore a total reduction in this chapter of \$38,000 of which \$30,000 might be applied to sub-chapters (i)-(iv).

289. Chapter IV provides for other supplies and services in the amount of \$272,500, which represents an increase of \$28,000 over the 1967 appropriation and some \$23,500 over the adjusted 1966 figure. The esti-

⁴⁴ *Ibid.*, Twenty-first Session, Supplement No. 7 (A/6307).

mate for Headquarters shows a decrease of \$13,143 as compared with the adjusted expenditure for 1966, but does not take account of losses on exchange. Expenditure under the latter item for 1966 amounted to \$13,463. The Committee recommends continuing efforts to contain and if possible to reduce expenditures under this heading.

290. The estimate of \$1,250,700 for chapter V—Office and internal reproduction supplies—shows an increase of \$196,000 over the estimate for 1967 and \$125,453 over the adjusted expenditure for 1966. Of the increase at Headquarters (\$96,800) an amount of some \$52,000 is attributable to higher requirements for forms, magnetic tapes and paper supplies needed by the International Computing Centre; an additional amount of some \$33,400 has been requested for paper for internal reproduction as a result of the growth in the documentation programme.

291. Provision of \$218,800 is made for chapter VI—Library books, supplies and services, reflecting an increase of \$30,000 over the 1967 estimates and of some \$50,000 over the adjusted 1966 expenditure level. A large proportion of the increase relates to the Library at Headquarters. The Committee repeats its recommendations of previous years that savings might be effected in this chapter through efforts by the Library to obtain free copies of publications and documents.

292. The Advisory Committee is convinced that the Secretary-General will continue to apply strict controls over expenditures under this section. It recommends an appropriation of \$5,535,000 for Section 10, or a reduction of \$175,900, of which an amount of \$38,000 should be applied to chapter III.

Reduction recommended:

Section 10. General expenses:

	\$
Chapter III	38,000
Remainder of Section	137,900
	<u>175,900</u>

SECTION 11. PRINTING

	\$
Estimate submitted by the Secretary-General	1,688,300
Estimate recommended by the Advisory Committee	1,600,000
1966 (actual expense)	1,671,770
1967 (appropriation)	1,835,900

293. The estimate for Section 11 covers contractual printing expenses, except for those relating to special meetings and conferences (Section 2), public information requirements other than books and periodicals (Section 10); Special missions (Section 16); the Office of the United Nations High Commissioner for Refugees (Section 17); the International Court of Justice (Section 18); the United Nations Conference on Trade and Development (Section 19); and the United Nations Industrial Development Organization (Section 20).

294. Unlike previous years, the cost of producing additional copies of publications for sale, which used to be included in Section 11, has been charged against Income section 4, chapter II. The amount involved has been estimated at \$196,000.

295. As will be seen from table 20 below, a substantial portion of the printing programme will be

carried out internally, with a corresponding reduction in contractual printing expenses.

296. The net estimate for 1968, as compared with the 1967 appropriation, represents a decrease of \$147,600; if, however, one adds to the 1968 estimate the amount of \$196,000 charged in 1968 to Income section 4 (see para. 294 above) it will be seen that the 1968 estimate is \$48,400 higher than the comparable 1967 appropriation figure.

297. The Secretary-General attributes this increase to the continuing rise in the costs of labour and materials—which has already resulted in an increase in unit costs of approximately 6 per cent over the 1966 level, and to increased demands from Governments, especially as regards statistical publications in the major economic and social fields.

298. Chapter I. Official records (\$1,057,700) accounts for nearly 63 per cent of the total estimate under Section 11. The Advisory Committee notes that the 1968 estimate represents an increase of \$15,000 over the 1967 appropriation. The Committee was glad to learn that the Publications Board has been studying ways and means of reducing the cost of printing supplements and annexes, and hopes that this study will lead to savings under Chapter I.

299. With reference to chapter II, Recurrent publications, the Advisory Committee understands that the gross printing programme, including the estimated cost of the production of additional copies of publications for sales purposes (\$156,600), will amount to \$881,700, representing an increase of \$50,100 over the 1967 appropriation. This increase is due to additional gross requirements of the Office of Legal Affairs (\$50,450, representing an increase of almost 40 per cent as compared with 1967) which are attributable to the fact that the cost of printing the volumes of the Treaty Series had been underestimated in the 1966 budget, and that some of the recurrent publications of the Office of Legal Affairs which appear at irregular intervals are scheduled for 1968. The gross requirements in respect of recurrent publications on economic and social affairs remains at approximately the 1967 level, the increase under the Department of Economic and Social Affairs (\$19,000) being offset by reductions under the Economic Commissions for Africa (\$14,550), Asia and the Far East (\$4,120) and Europe (\$1,700). The Advisory Committee notes that several of the publications scheduled for 1968 had previously been included in the 1967 budget estimates at lower figures. It is confident that the Secretary-General will see his way to effecting savings under chapter II.

300. The estimate under chapter IV, printing requirements for the Office of Public Information, amounts to \$112,600, representing an increase of \$4,100 over the 1967 appropriation and of \$12,830 over actual expenditure in 1966. Bearing in mind the need for restricting the expenditures of the Office of Public Information, in line with General Assembly directives, the Advisory Committee recommends a reduction of \$7,800 under this chapter, to be applied to the cost of the United Nations Monthly Chronicle.

301. Internal reproduction facilities are expected to provide a larger amount of printing requirements than in previous years. The Committee believes that through the efforts of the Publications Board and the Office of Conference Services, it will become possible to raise

Table 20

PRINTING: ANALYSIS BY CHAPTER AND BY YEAR FOR 1966, 1967 AND 1968

Chapter	1968 estimate	1967 appropriations	1966 expenditure	Increase or (decrease) between 1967 and 1968
	\$	\$	\$	\$
I. Official records	1,057,700	1,042,700	983,908	15,000
II. Recurrent publications	725,100			
Cost of additional copies for sales purposes ^a	156,600			
	881,700	831,600	786,496	50,100
III. Studies and reports	184,500			
Cost of additional copies for sales purposes ^a	39,400			
	223,900	218,100	161,684	5,800
IV. Office of Public Information	112,600	108,500	99,770	4,100
V. Permanent Central Narcotics Board and Drug Supervisory Body	26,200	19,000	22,466	7,200
VI. Other contractual printing	82,200	81,000	86,173	1,200
TOTAL, chapters I to VI	2,384,300	2,300,900	2,140,497	83,400
VII. Less:				
Deduction for internal reproduction	(500,000)	(465,000)	(468,727)	(35,000)
TOTAL	1,884,300	1,835,900	1,671,770	48,400
Less:				
Costs charged against Income sec- tion 4, Chapter II	196,000	—	—	(196,000)
	1,688,300	1,835,900	1,671,770	(147,600)

^a Charged against Income section 4, chapter II.

the deduction for internal reproduction (chapter VII) by \$50,000 to \$550,000.

302. In its analysis of Section 11 as a whole, the Advisory Committee felt that, given the rising per-unit costs of contractual printing—which are to a large extent outside the Secretary-General's control—the limitation of expenditure on printing would have to be sought through:

(a) A constant, strict re-evaluation of the need for the large number of publications being issued under United Nations auspices; the competent legislative bodies should be encouraged to take an active part in this process;

(b) Controls over the expenditure on the printing of official records through the production of more succinct summary records, or the elimination of records, where this is not detrimental to the work of the body concerned;

(c) Proper editorial procedures for controlling the volume of United Nations documentation;

(d) Full utilization of internal capacities and modern techniques such as the offset process.

The Advisory Committee is confident that the Publications Board will keep these matters under constant review. It would like to commend the Board for taking

a first step in that direction in its preliminary study undertaken pursuant to General Assembly resolution 2247 (XXI).

303. In its report on the 1967 budget estimates⁴⁵ the Advisory Committee urged that, subject to the over-riding principle of purchasing at the lowest cost, increased efforts be made to broaden the geographical distribution of printing contracts, giving special attention to the production facilities in the developing countries. The Committee drew attention in that connexion to the useful role that could be played by Government printing offices. It notes that about 60 per cent of the total printing expenditures in 1968 will be incurred in areas outside Headquarters and that the Secretary-General is continuing his efforts to assign contractual printing on the widest possible geographical basis at the lowest competitive prices.

304. Lastly, the Committee would add that, in the light of experience, it is unlikely that all the publications included in the 1968 estimates will actually be issued in that year, or that all the meetings on which the estimates for the official records have been based will in fact be held; in connexion with the latter, the Advisory Committee is aware that a study of the pattern of conferences in 1968 will be undertaken by the Com-

⁴⁵ *Ibid.*, para. 261.

mittee on Conferences established under General Assembly resolution 2239 (XXI).

305. In the light of the foregoing observations, the Advisory Committee recommends an appropriation of \$1,600,000 for Section 11, representing a reduction of \$88,300 in the estimate submitted by the Secretary-General.

Recapitulation of reductions recommended:

Section 11. Printing

Chapter I. Official records	\$
Chapter II. Recurrent publications	30,500
Chapter VI. Office of Public Information	7,800
Chapter VII. Deduction for internal reproduction (increase)	50,000
	88,300

Part IV. Special expenses

SECTION 12. SPECIAL EXPENSES

	\$
Estimate submitted by the Secretary-General	9,097,600
Estimate recommended by the Advisory Committee	9,031,800
1966 (actual expense)	8,960,519
1967 (appropriation)	9,134,200

306. The estimates under this section include four new chapters one of which (chapter X) represents expenditure previously charged under Sections 1, 3 and 5. The breakdown by chapter, together with the corresponding figures for 1966 and 1967 is given in table 21 below.

307. The United Nations Memorial Cemetery in Korea, provision for which is made under chapter I,

Table 21

Chapter	1968 estimate	1967 appropriations	1966 expenses
	\$	\$	\$
I. United Nations Memorial Cemetery in Korea	125,500	115,600	63,418
II. United Nations International School, New York	<i>pro memoria</i>	48,900	57,000
III. International School at Geneva	30,000	30,000	—
IV. The special training programme for South West Africans	<i>pro memoria</i>	30,000	7,699
V. The United Nations bond issue	8,651,000	8,717,500	8,662,218
VI. The special training programme for territories under Portuguese administration	<i>pro memoria</i>	70,000	58,705
VII. The Triangular Fellowship Programme (Office of Public Information)	19,500	19,500	18,870
VIII. United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law	54,000	66,300	—
IX. United Nations participation in the Joint Inspection Unit	150,000	—	—
X. United Nations participation in jointly-financed activities of administrative co-ordination	55,000	36,400	51,300
XI. Prizes for outstanding achievements in the field of human rights	12,600	—	—
— Assistance in cases of natural disaster provided in terms of General Assembly resolution 2034 (XX) of 9 December 1965	—	—	41,309
TOTAL, Section 12	9,097,600	9,134,200 ^a	8,960,519 ^b

^a Includes, under chapter I, \$25,600 appropriated in 1967 under former Section 17, United Nations Field Service, and under chapter X \$36,400 for United Nations participation in jointly-financed activities of administrative co-ordination, provided for in 1967 under Sections 1, 3 and 5.

^b Includes, under chapter I, \$26,917, expended in 1966 under former Section 17, United Nations Field Service, and under chapter X \$51,300 for United Nations participation in jointly-financed activities of administrative co-ordination, provided for in 1966 under Sections 1, 3 and 5.

was established and is maintained pursuant to General Assembly resolution 977 (X) of 15 December 1955. The property on which the Cemetery is located has been granted in perpetuity to the United Nations under the terms of an agreement, effective 11 December 1959. The text of this agreement was communicated to the General Assembly in document A/4330.

308. The 1968 estimate under chapter I includes for the first time provision for the salaries and common staff costs of security and general duty personnel, previously included under Section 17. The corresponding provision in the 1967 appropriation and 1966 expenditures amounts to \$25,600 and \$26,917 respectively. At \$125,500 the 1968 estimate represents an increase of \$9,900 over the adjusted 1967 appropriation and of \$62,982 over the adjusted 1966 expenditure.

309. As the Advisory Committee indicated in its report on the 1967 budget estimates,⁴⁶ the increase in 1967 over 1966 was due to the provision of funds for the erection of a small administrative building and a small utilities and storage building at the Cemetery. The estimate for 1968 includes \$56,000 for the construction of the third and last edifice—a memorabilia building, as foreshadowed in the 1967 budget estimates. The Advisory Committee has no objection to work on the memorabilia building being undertaken on the understanding that the estimate of \$56,000 will not be exceeded.

310. As regards chapter II, a *pro memoria* provision has been made for the United Nations International School in New York to cover the possibility that the General Assembly might decide at its twenty-second session to contribute towards the operating expenses of the School. It will be recalled that by resolution 2176 (XXI) of 9 December 1966, the Assembly decided to contribute \$48,900 in 1967 to cover the anticipated deficit for the academic year 1966-1967. The Secretary-General advises that he will submit a separate report to the General Assembly at its twenty-second session on the financial position of the School and on the progress made as regards contributions to the School's Development Fund and the construction of permanent premises.⁴⁷

311. With reference to chapter III, the Advisory Committee would recall that in its comments⁴⁸ on the request made by the Secretary-General in the 1967 budget estimates for a provision of \$30,000 to help the International School at Geneva, the Committee, while expressing sympathy for the Secretary-General's proposal, voiced the hope that the report which he intends to submit to the General Assembly at its twenty-second session would give a clearer indication of total pledges, with particular reference to those from Geneva-based international organizations. The Advisory Committee recommends that, pending the submission of the Secretary-General's report a *pro memoria* entry be made under chapter III in the budget estimates for 1968.

312. As regards chapters IV and VI (special training programmes for South West Africans and for

territories under Portuguese administration) only *pro memoria* provision has been made under Section 12 pending decision by the General Assembly on the future of those programmes. The Assembly will have before it at its twenty-second session a report by the Secretary-General, to be submitted pursuant to General Assembly resolution 2235 (XXI) of 20 December 1966. The Committee understands that the Secretary-General will suggest that the most appropriate means of financing these two programmes and the education and training programme for South Africans established under Security Council resolution 191 (1964) of 18 June 1964, might be through a consolidated trust fund supported by voluntary contributions. In the meantime provision has been made under Sections 3 and 4 to cover the administrative costs relating to the consolidated programme.

313. Chapter V (United Nations Bond Issue) provides an amount sufficient to pay on 15 January 1968 interest charges at the rate of 2 per cent per annum and the instalment of the principle due on that date on United Nations bonds which were issued pursuant to General Assembly resolution 1739 (XVI) of 20 December 1961, as amended by resolutions 1878 (S-IV) of 27 June 1963 and 1989 (XVIII) of 17 December 1963.

314. Chapter VII makes provision for the Triangular Fellowship Programme of the Office of Public Information in the amount of \$19,500 for 1968, representing no change as compared with 1967. The estimate covers the travel and subsistence costs relating to a four-week seminar at Headquarters for twelve to fifteen persons active in educational broadcasting in English-speaking countries in the developing regions. The Advisory Committee has had the opportunity of discussing the programme with the representatives of the Secretary-General and has been assured that the Office of Public Information regards it as a valuable part of its activities. Nevertheless the Advisory Committee believes that the Secretary-General should continue to keep the usefulness of this programme under constant review.

315. Chapter VIII contains a provision of \$54,000 relating to the United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law, established under General Assembly resolution 2099 (XX) of 20 December 1965 and continued under resolution 2204 (XXI) of 16 December 1966. The estimate relates to the cost of fifteen fellowships to be awarded to candidates from developing countries.⁴⁹ Bearing in mind the necessarily tentative nature of the estimate under this chapter the Advisory Committee recommends that it be reduced by \$4,000.

316. Chapter IX contains a provision in the amount of \$150,000 to cover United Nations participation in the Joint Inspection Unit to be established in accordance with the recommendation of the *Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies,⁵⁰ which was approved

⁴⁶ *Ibid.*, paras. 266-268.

⁴⁷ This report will be additional to document A/6671 in which the Secretary-General describes the new proposals made by the Ford Foundation for the relocation of the School.

⁴⁸ *Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307)*, paras. 270-271.

⁴⁹ An amount of \$2,800 to cover the cost of shipping twenty sets of United Nations legal publications to institutions in developing countries has been included under Section 10, and clerical assistance costs in the Office of Legal Affairs (estimated at \$5,000) have been provided for under Section 3.

⁵⁰ A/6343, para. 67B.

under General Assembly resolution 2150 (XXI) of 4 November 1966.

317. It is proposed that this Unit be located in Geneva, and be established for an initial period of four years. It will be attached for administrative purposes to the Secretary-General, as Chief Administrative Officer of the United Nations and as Chairman of the Administrative Committee on Co-ordination (ACC). ACC expects that the Unit will become operative by 1 January 1968. The United Nations and the specialized agencies have agreed, through ACC, that the costs will be shared by the participating organizations on the basis of their total expenditures from all sources of funds during the preceding year.

318. ACC expects that the cost of the Unit for a full operational year would amount to approximately \$350,000, consisting of some \$250,000 for salaries and common staff costs, \$48,000 for official travel of the Inspectors, and the balance for furniture, equipment and other general expenses.

319. Taking into account the tentative nature of the estimate under chapter IX, the Advisory Committee recommends a reduction of \$25,000 in the estimate proposed by the Secretary-General.

320. Chapter X makes provision in the amount of \$55,000 for the estimated cost of United Nations participation in administrative and financial co-ordination activities which are financed jointly by the organizations belonging to the United Nations Common System of Salaries, Allowances and Other Conditions of Service.⁵¹ Included in the estimate under this chapter are the salaries, common staff costs and travel on official business of the members of the secretariats of the International Civil Service Advisory Board (ICSAB) and the Consultative Committee on Administrative Questions (CCAQ), the travel and subsistence of members of ICSAB and of the Expert Committee on Post Adjustments, together with the cost of temporary conference servicing staff, when required, the employment of consultants and the programme of cost-of-living surveys. In previous years the United Nations share of the cost of these activities had been charged to Sections 1, 3 and 5, as appropriate. The Advisory Committee understands that the increase under this chapter, as compared with the 1967 appropriation is due to the decision of CCAQ to retain the services of two post classification consultants.

321. The estimate of \$12,600 under chapter XI relates to the decision taken by the General Assembly under resolution 2217 A (XXI) of 19 December 1966, to award in 1968 a prize or prizes (up to a maximum of five), consisting of metal plaques, for outstanding achievements in the field of human rights in connexion with the celebration of the twentieth anniversary of the Universal Declaration of Human Rights, and at quinquennial intervals thereafter.

322. The estimate provides \$1,000 for the design and manufacture of the prizes, \$4,800 for the travel and subsistence costs of the prize-winners, to enable them to attend the award ceremony at Headquarters, and \$6,800 for the travel and subsistence costs of the members of the selection committee which, pursuant to recommendation C annexed to General Assembly

resolution 2217 A (XXI), is to consist of the Presidents of the General Assembly and of the Economic and Social Council, and the Chairmen of the Commission on Human Rights, the Commission on the Status of Women, and the Sub-Commission on Prevention of Discrimination and Protection of Minorities.

323. The Advisory Committee believes that the session of the selection committee can be scheduled to coincide with other United Nations activities (for instance the twenty-third session of the General Assembly) so as to ensure that the members of the selection committee need not make a special journey to Headquarters. Accordingly it recommends that the provision of \$6,800 for the travel and subsistence costs of the selection committee be deleted.

324. In the light of the foregoing observations, the Advisory Committee recommends an appropriation of \$9,031,800 under Section 12, representing a reduction of \$65,800 in the estimate proposed by the Secretary-General.

Recapitulation of reductions recommended:

	\$
Section 12. Special expenses:	
Chapter III. International School at Geneva	30,000
Chapter VIII. United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law	4,000
Chapter IX. United Nations participation in Joint Inspection Unit	25,000
Chapter XI. Prizes for outstanding achievements in the field of human rights	6,800
TOTAL	65,800

Part V. Technical programmes

SECTIONS 13, 14 AND 15. TECHNICAL PROGRAMMES

	\$
Estimate submitted by the Secretary-General	6,400,000
Estimate recommended by the Advisory Committee	6,400,000
1966 (actual expense)	6,370,024
1967 (appropriation)	6,400,000

325. The estimates for part V relate to that portion of the United Nations technical assistance activities which is to be financed from the regular budget. The operational programmes involved may be placed in three main categories:

I. Economic development, social development, and public administration (section 13):

- (a) Technical assistance in the field of economic development, as envisaged in General Assembly resolutions 200 (III) of 4 December 1948 and 304 (IV) of 16 November 1949;
- (b) Technical assistance in social development fields, as contemplated in General Assembly resolutions 418 (V) of 1 December 1950, 537 (VI) of 2 February 1952, 1042 (XI) of 21 February 1957, and 1838 (XVII) of 18 December 1962;
- (c) Advisory services, consultation, training, and research in the field of public administration, as envisaged in General Assembly resolutions 518 (VI) of 12 January 1952, 723 (VIII) of 23 October 1953, and 1024 (XI) of 21 December 1956;

⁵¹ United Nations, ILO, FAO, UNESCO, WHO, ICAO, UPU, ITU, WMO, IMCO, IAEA, ICITO/GATT.

Detailed recommendations on the budget estimates

(d) Appointment of operational, executive, and administrative personnel, in accordance with General Assembly resolution 1530 (XV) of 15 December 1960;

II. *Human rights advisory services* (section 14);

III. *Narcotic drugs control* (section 15).

326. The provisional estimate for part V as a whole in the amount of \$6.4 million has been submitted by the Secretary-General pursuant to Economic and Social Council resolution 1120 (XLI) of 18 July 1966 in which the Council endorsed a recommendation by the Governing Council of the United Nations Development Programme at its second session in June 1966 for the inclusion under part V of a provisional target level for planning for 1968 in an amount of \$6.4 million. The programme proposals for 1968, as submitted by the Secretary-General, will be considered by the Governing Council of the UNDP at its fourth session in June 1967. The final estimates, distributed among the consti-

tuent sections of part V, will be submitted by the Secretary-General after he has received the recommendations of the Governing Council of UNDP and the Economic and Social Council (at the latter's forty-third session) on the appropriate level and uses of the regular programme resources for 1968.

327. The Secretary-General's provisional proposals for the regular programme of technical assistance in 1968 may be divided into (a) country projects in an amount of \$3,351,200; and (b) regional and inter-regional projects amounting to \$3,048,800. Country and regional projects amount to a total of \$5,394,000, of which Africa accounts for \$2,501,400, the Americas for \$904,100, Asia and the Far East for \$1,429,300, Europe for \$182,900 and the Middle East for \$376,300.

328. Table 22 below gives a breakdown of actual expenditures under part V, by major fields of activity, in 1960-1966:

Table 22

REGULAR PROGRAMME OF TECHNICAL ASSISTANCE: BREAKDOWN OF EXPENDITURES BY MAJOR FIELDS OF ACTIVITY:
1960-66

	1960	1961	1962	1963	1964	1965	1966
	\$	\$	\$	\$	\$	\$	\$
Economic development	480,000	1,125,000	2,071,542	2,092,381	6,153,674	3,108,598	3,103,088
Social activities	1,200,000	1,375,000	2,097,887	2,101,571		1,951,698	1,956,378
Public administration	509,644	875,000	1,640,176	1,867,764		1,083,310	1,045,313
Human rights advisory services	99,790	79,836	125,699	178,684		176,881	198,483
Narcotic drugs control	49,188	73,696	67,979	57,866	68,829	72,808	66,762
TOTAL	2,338,622	3,528,532	6,003,283	6,298,266	6,399,818	6,393,295	6,370,024

329. Table 23 compares expenditures in 1966, the initial approved programmes for 1967, and the proposed programme in 1968, distributed by major fields of activity and showing separately the costs relating to industrial development:

Table 23

REGULAR PROGRAMMES OF TECHNICAL ASSISTANCE BASED ON PRIORITIES

Budget section	Fields of activity	Proposed 1968 programme	Initial 1967 programme as approved by Governing Council of UNDP	1966 programme (expenditures)
		\$	\$	\$
13. Economic development				
	(i) Industrial development	991,400	1,053,000	887,878
	(ii) Other economic fields	2,569,500	2,396,600	2,215,210
		3,560,900	3,449,600	3,103,088
	Social development	1,669,800	1,818,200	1,956,378
	Public administration	874,300	837,200	1,045,313
	SUB-TOTAL	6,105,000	6,105,000	6,104,779
14. Human rights advisory services		220,000	220,000	198,483
15. Narcotic drugs control		75,000	75,000	66,762
	TOTAL	6,400,000	6,400,000	6,370,024

330. While the allocation of the appropriations within part V has been a matter on which the recom-

mendations to the General Assembly should emanate from the Economic and Social Council and its com-

petent subsidiary bodies and the Governing Council of UNDP, the Committee has consistently expressed the view that the amounts to be appropriated under part V depended on policy decisions taken by the General Assembly in the light of over-all budgetary considerations.

331. Additionally, when on 23 November 1962 the General Assembly adopted resolution 1768 (XVII) on the programmes of technical assistance under the regular budget of the United Nations, in which it made a provision for part V for 1963 in the amount of \$6.4 million, it invited the Technical Assistance Committee to undertake a study of the various United Nations technical assistance programmes with a view to their rationalization, and requested the Advisory Committee to review that study and report thereon to the General Assembly as a matter of urgency. The study in question has not been received by the Advisory Committee.

332. Following further consideration of the question in the Technical Assistance Committee and the Economic and Social Council, the Secretary-General submitted a note to the General Assembly⁵² in which he requested appropriations under part V for 1965 in the total amount of \$6.4 million under three budget sections (Economic development, social activities, and public administrations; Human rights advisory services; and Narcotic drugs control) instead of five as had been the case in previous years. In his note the Secretary-General indicated that at its summer session in 1964 TAC had had before it his programme proposals presented on two alternative bases: one in accordance with the customary distribution between the various sections comprising part V of the budget and the other on a straight priority basis without regard to sectional distribution. The Secretary-General had indicated to TAC that, of the fifty-four Governments which had indicated a preference for either of those alternatives, forty-six had expressed themselves in favour of the priority approach which offered them the maximum flexibility in obtaining those types of assistance which would best meet their urgent needs. The Secretary-General informed the General Assembly that the TAC had decided at its summer session in 1964 that the priority approach should be adopted as from 1965. The TAC had noted that since the programmes were to be established in accordance with priorities, it could be assumed that the three sections of part V would be administered as a whole so that programme changes arising during the operational year might more easily be accommodated than previously. The recommendations of TAC were endorsed by the Economic and Social Council in resolution 1008 (XXXVII) of 21 July 1964. In that resolution the Council further decided that the level of the Secretary-General's annual budget submission for technical programmes and the programmes thereunder should continue to be subject to the advice, guidance and review of the Technical Assistance Committee.

333. The Advisory Committee's report on the 1965 budget estimates and the note by the Secretary-General were considered by the General Assembly in the autumn of 1965, at its twentieth session. By that time the Assembly also had before it the Advisory Committee's report on the 1966 budget estimates.⁵³ In

that report the Committee referred to the new presentation of part V of the budget without making any comment on the change. It merely recommended approval of a total of \$6.4 million under part V of the 1966 estimates as proposed by the Secretary-General upon the recommendation of the TAC.

334. Following the establishment of the United Nations Development Programme pursuant to General Assembly resolution 2029 (XX) of 22 November 1965, the function of reviewing and approving the annual proposals for the United Nations regular programme of technical assistance, which had been carried out by the Technical Assistance Committee, was transferred to the Governing Council of the UNDP.

335. In its report on the 1967 budget estimates,⁵⁴ the Advisory Committee noted that the final budget submission relating to part V would be made to the General Assembly after the recommendation of the Governing Council of UNDP and the decisions thereon by the Economic and Social Council became available, and recommended approval of a total of \$6.4 million under part V as proposed by the Secretary-General.

336. During its analysis of the 1968 estimate under part V the Advisory Committee was aware of the fact that on 4 May 1967 the Industrial Development Board adopted resolution 2 (I) on Financial Questions in which, after "noting the important role of the United Nations regular programmes of technical assistance as a promotional instrument in broadening the direct assistance provided to the developing countries in the field of industrial development", and "recognizing that it is necessary to revise the provisions governing the United Nations regular programme of technical assistance with a view to:

(a) Increasing the level of the allocations to industrial development projects within the total appropriations under part V of the regular budget;

(b) Providing for separate programming and approval of these allocations", it recommended that the General Assembly take appropriate action at its twenty-second session to:

"(a) Establish a separate section in part V of the budget of the United Nations to provide for the programme of technical assistance in industrial development at an appropriate level commensurate with the expanding requirements of the developing countries;

"(b) Amend General Assembly resolution 2029 (XX) of 22 November 1965 so as to enable the Industrial Development Board to consider and approve the projects and programmes in the field of industrial development undertaken through the utilization of the resources thus appropriated, and to provide general policy guidance and direction with reference to the utilization of these resources."

337. The Advisory Committee assumes that, should the General Assembly decide to take the action recommended by the Industrial Development Board, the provision for the programme of technical assistance in industrial development will be included in the totality of the estimate under part V, and that the constituent sections of part V will continue to be administered as a whole so that it might be easy to accommodate programme changes arising during the operational year.

⁵² *Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 76, document A/C.5/1011.*

⁵³ *Ibid., Twentieth Session, Supplement No. 7 (A/6007).*

⁵⁴ *Ibid., Twenty-first Session, Supplement No. 7 (A/6307).*

338. The Advisory Committee recommends approval of a total of \$6.4 million under part V of the 1968 estimates as proposed by the Secretary-General.

Part VI. Special missions and related activities

SECTION 16. SPECIAL MISSIONS

	\$
Estimate submitted by the Secretary-General	4,685,800
Estimate recommended by the Advisory Committee	4,655,800
1966 (actual expense)	5,928,992
1967 (appropriation)	4,802,700

339. The estimate of \$4,685,800 under this section provides for the maintenance of existing special missions⁵⁵ and represents a decrease of \$116,900 as compared with the total 1967 appropriation. If one excludes from the latter the amount of \$239,500 relating to the Special Committee on the Situation with Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (\$200,000), the United Nations Special Mission to Aden (\$15,000) and the office of the Special Repre-

⁵⁵ The estimates on which the Advisory Committee is commenting were prepared and submitted prior to the outbreak of hostilities in the Middle East in June 1967.

sentative of the Secretary-General in Amman (\$24,500), the estimate for 1968 represents an increase of \$122,600 over the 1967 appropriation for the four constituent chapters of Section 16.

340. In his introductory remarks under Section 16 of the 1968 Budget estimates the Secretary-General indicates that, in his desire to present to the General Assembly as complete a picture as possible of the total actual cost of the individual special missions, and to do so under one section of the budget, he has now included in the four chapters of Section 16 the cost of the administrative and technical personnel attached to those missions. The more rational new presentation was accepted by the Fifth Committee at its 1139th meeting on 2 November 1966. The costs relating to these administrative and technical personnel, which had previously been presented on a global basis under a separate section⁵⁶ have been distributed among the missions or offices where the staff are located and appear in the 1968 budget estimates under Sections 3, 4, 5, 10, 12 and 16.

341. Table 24 below compares the 1968 initial estimates under Section 16 with the 1967 appropriations and the 1966 expenses adjusted to reflect the change described in the preceding paragraph.

⁵⁶ 1967 appropriation: \$1,639,700 under former section 17; 1966 expenses: \$1,728,560 under former section 17.

Table 24

SPECIAL MISSIONS AND RELATED ACTIVITIES: ANALYSIS BY CHAPTER AND BY YEAR FOR 1965, 1967 and 1968

Chapter	1968 estimates	1967 appropriations	1966 expenditure	Increase (decrease) between 1967 and 1968
	\$	\$	\$	\$
I. United Nations Truce Supervision organization in Palestine (UNTSO)	3,352,400	3,307,600	3,135,498	44,800
II. United Nations Military Observer Group in India and Pakistan (UNMOGIP)	1,043,100	990,400	1,498,806	52,700
III. United Nations Representative for India and Pakistan (UNRIP)	45,300	46,100	44,497	(800)
IV. United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK)	245,000	219,100	176,098	25,900
— Previous expenses	—	239,500	1,074,093	(239,500)
TOTAL, Section 16	4,685,800	4,802,700	5,928,992	(116,900)

342. The four special missions included under Section 16 were established as follows: United Nations Truce Supervision Organization in Palestine—under Security Council resolution 48 (1948) of 23 April 1948 (S/727) and 73 (1949) of 11 August 1949 (S/1376); United Nations Military Observer Group in India and Pakistan—under a resolution dated 13 August 1948 of the United Nations Commission for India and Pakistan which had been set up under Security Council resolution 39 (1948) of 20 January 1948 (S/654);⁵⁷ United Nations Representative for India and Pakistan—under Security Council resolution

80 (1950) of 14 March 1950 (S/1469); and United Nations Commission for the Unification and Rehabilitation of Korea—under General Assembly resolution 376 (V) of 7 October 1950. The Advisory Committee assumes that the United Nations organs which created these special missions will keep their activities and the need for their continuation under constant review. The Committee's own task in the matter is to ensure that they are administered in the most economical and efficient manner. In this connexion the Committee believes that savings can be effected on travel and subsistence, operation and maintenance of vehicles, purchase of transportation equipment, communications, freight, supplies and services.

343. The Advisory Committee accordingly recommends an appropriation under Section 16 for 1968 in

⁵⁷ In resolution 91 (1951) of 30 March 1951, operative paragraph 7, the Security Council decided that the "military observer group shall continue to supervise the cease-fire" in the State of Jammu and Kashmir.

Detailed recommendations on the budget estimates

the amount of \$4,655,800, representing a reduction of \$30,000 in the estimate submitted by the Secretary-General, to be applied principally to chapters II and III.

Reduction recommended:

Section 16. Special missions \$ 30,000

Part VII. Office of the United Nations High Commissioner for Refugees

SECTION 17. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

\$

Estimate submitted by the Secretary-General 3,499,000

Estimate recommended by the Advisory Committee 3,469,000

1966 (actual expense) 3,092,041

1967 (appropriation) 3,233,000

344. The estimate of \$3,499,000 under this section represents an increase of \$266,000 as compared with the \$3,233,000 authorized for 1967. A provisional estimate of \$440,000 has been included under Income section 2, as a grant-in-aid to the regular budget from voluntary funds at the disposal of the High Commissioner. Table 25 gives the chapter breakdown of the estimates for 1968, the appropriations for 1967, the actual expenditures for 1966, and the amount of the credits for staff assessment and the subventions for the grant-in-aid as reflected under Income sections 1 and 2 respectively.

345. The activities and programmes of the Office are carried out under the general directives of the General Assembly, with the more detailed supervision provided by the Executive Committee of the High Commissioner's Programme composed of thirty government representatives appointed by the Economic and Social Council. At present the Executive Committee holds

Table 25

SECTION 17. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

Chapter	1968 estimate	1967 appropriation	1966 expenditure	Increase or (decrease) between 1967 and 1968
	\$	\$	\$	\$
I. Salaries and wages	2,510,000	2,315,000	2,185,663	195,000
II. Common staff costs	583,000	522,000	518,021	61,000
III. Travel of staff	160,000	162,000	154,602	(2,000)
IV. Public information activities	26,000	26,000	24,905	—
V. Hospitality	5,000	5,000	4,000	—
VI. Permanent equipment for field offices	16,000	19,000	16,038	(3,000)
VII. General expenses and supplies	189,000	175,000	183,066	14,000
VIII. Contractual printing	10,000	9,000	5,746	1,000
TOTAL GROSS, Section 17	3,499,000	3,233,000	3,092,041	266,000
<i>Deduct:</i>				
Income from staff assessment	414,000	382,000	361,358	32,000
Grant-in-aid from voluntary funds	440,000	440,000 ^a	351,035	—
	854,000	822,000	712,393	32,000
TOTAL NET, Section 17	2,645,000	2,411,000 ^b	2,379,648	234,000

^a Revised provisional figure.

^b In addition, an allocation of \$161,000 (net) from voluntary funds is available for 1967 administrative expenses related to programmes in Africa which started in 1966.

two sessions annually in the spring and autumn, each of about one week's duration.

346. In this connexion, the Advisory Committee welcomes the suggestion made by the High Commissioner that the Executive Committee may wish to give thought to holding one rather than two sessions a year. Such a decision would be in line with a recommendation of the *Ad Hoc* Committee of Experts. In addition to effecting savings in conference servicing costs, it would also enable the High Commissioner to re-allocate the substantive and other staff at present engaged in the preparation and servicing of the meetings to tasks

devoted to the execution of the work programmes of the Office.

347. In accordance with the formula recommended by the Advisory Committee⁵⁸ and adopted by the General Assembly at its twentieth session⁵⁹ the grant-in-aid to be paid to the United Nations regular budget from the voluntary funds administered by the High Commissioner is established at 10 per cent of the actual commitments under the current programme, excluding administrative expenditure. The programme target is

⁵⁸ *Official Records of the General Assembly, Twentieth Session, Annexes*, agenda item 76, document A/6138, para. 38.

⁵⁹ *Ibid.*, document A/6223, para. 60.

decided by the Executive Committee every autumn in respect of the following year's programme, but this provisional figure is subject to change by that body during the course of the operational year depending on the availability of funds received towards the target figure of the current programme. In effect, therefore, the actual amount of the grant-in-aid can only be determined upon the closure of the accounts in February of the year following the operational year, or two years after estimation of the provisional figure.

348. Inasmuch as there could be considerable variance between the provisional and actual figures, the High Commissioner recommends that future amounts of the grant-in-aid be based on the commitments made under the current programme of the preceding year, thereby reducing as far as possible the uncertainty of the provisional amount to be included for a given year.

349. The Secretary-General has therefore calculated the amount of the grant-in-aid for 1968 as 10 per cent of the actual commitments, other than those for administrative expenditures, made under the 1967 current programme. These commitments are estimated at some \$4,400,000; accordingly a provisional amount of \$440,000 has been included under Income section 2 for the grant-in-aid for 1968, subject to adjustment in the light of future developments.

350. It is also to be noted that the same formula is applied to additional administrative costs arising from new refugee problems requiring supplementary staff and other expenditures which cannot be financed from existing resources. Such administrative costs for the period of the current year and the whole of the following year are included as a specific item in the operational plans submitted to the Executive Committee. The Secretary-General advises that in 1966 the Executive Committee authorized such expenditures, including those for additional staff at headquarters and new branch offices in the field, together with the projects for assisting refugees in three African countries within the current programmes for 1966 and 1967, at a cost of \$54,360 in 1966 and an estimated \$161,000 in 1967. These requirements arose from a further influx of refugee groups in Africa in 1966, in particular in the Central African Republic, Tanzania, Uganda and Zambia, resulting in an increase in the number of refugees from some 580,000 to over 730,000 in that year. Two of those branch offices will have to be maintained through 1968, although the High Commissioner hopes to absorb the continuing additional staff requirements at headquarters and in the field by readjusting his total staff resources, so that no such allocations will be needed for these specific programmes in 1968.

351. With regard to the expenditure estimates for 1968, of the total increase of \$266,000 over the 1967 appropriations, \$195,000 relates to chapter I (Salaries and wages), \$61,000 to chapter II (Common staff costs), \$14,000 to chapter VII (General expenses) and \$1,000 to chapter VIII (Contractual printing). These increases are partly offset by decreases of \$2,000 under chapter III (Travel of staff) and \$3,000 under chapter VI (Permanent equipment). In this connexion the Advisory Committee has noted the efforts of the High Commissioner to control the cost of the various items of expenditure for 1968.

352. In its report on the expenditure estimates of the High Commissioner's Office for 1967,⁶⁰ the Advisory Committee explained why it was unable to support the request for fifteen new posts (5 professional and 10 general service) for that year. Additionally, and while acknowledging that progress had been made in the reallocation of established staff due to a contraction of the activities at the branch offices in Europe, which resulted in the transfer of fifteen posts (5 professional and 10 general service) from those offices to Africa and Latin America by the end of 1966, the Committee considered that a further downward adjustment in the European branch offices was possible.

353. The Advisory Committee is therefore pleased to note that the High Commissioner has found it possible to make further progress in this regard and hopes to be able to transfer by the end of 1967 another thirteen posts (5 professional and 8 general service) from the branch offices in Europe and in Algeria to the new offices in Africa (4 professional and 7 general service) and to headquarters, Geneva (1 professional and 1 general service). This would serve to reduce the field staff in Europe from 81 to 70, and at the same time enable the High Commissioner to absorb the posts provided in 1966 and 1967 under the allocations from voluntary funds, thereby obviating the need for such allocations in 1968 in respect of the existing programmes as indicated in paragraph 350 above. The Secretary-General advises that should new programmes become necessary in 1968, which could not be met from existing resources, further allocations from voluntary funds may be necessary.

354. The Advisory Committee feels that, although a more rational reallocation of the total staff resources of the Office has been accomplished, further reductions are possible in the staffing of the branch offices in Europe in order to enable the High Commissioner better to respond to new emergency situations in other areas, especially in Africa. It therefore urges the High Commissioner to renew his efforts to secure the active participation of co-operating Governments and non-governmental voluntary organizations in undertaking additional functions and responsibilities still carried out by those offices.

355. In its consideration of the 1967 estimates for the Office of the High Commissioner, the Advisory Committee referred to its earlier report⁶¹ on that Office's 1966 proposals for the re-classification of fourteen professional and one general service posts, and stated that it saw no reason to change its original recommendation for a 50 per cent reduction in the estimates for that purpose. Subsequently, on the basis of a survey of all substantive posts at UNHCR headquarters in Geneva, the High Commissioner submitted proposals in his 1967 expenditure estimates for the re-classification of 11 professional and 2 general service posts, and expressed the hope that a similar survey could be undertaken in his field offices where, in his opinion, a greater disparity of grading than at Geneva was evident. In its related report⁶² the Advisory Committee recalled its report to the General Assembly on

⁶⁰ *Ibid.*, Twenty-first Session, Supplement No. 7 (A/6307), paras. 308-310.

⁶¹ *Ibid.*, Twentieth Session, Annexes, agenda item 76, document A/6138, para. 22.

⁶² *Ibid.*, Twenty-first Session, Supplement No. 7 (A/6307), para. 313.

Section 3 of the 1966 budget estimates,⁶³ in which it suggested that the Secretary-General give consideration to undertaking a study and report on the comparable practices and mechanisms used throughout the United Nations family of agencies in the matter of post re-classifications. The Committee therefore felt that to the extent possible re-classification on the posts requested by the High Commissioner should await the outcome of the over-all study and report.

356. In the light of this advice the High Commissioner inquired of the Consultative Committee on Administrative Questions' Staff Office when such a study of his field offices might be expected and was informed that this was not likely to be undertaken before 1968. Subsequently a specific study was made comparing the grades and responsibilities of the UNHCR field posts with those of UNICEF, WHO and UNDP in particular, confined to Africa and the Middle East. The expert who undertook the study concluded that of the eleven posts of representatives in those areas more than half might be graded at the P-5 level, as compared with two at present at that level. The High Commissioner therefore proposes to effect part of the re-classifications to that level and certain other levels in 1968, leaving the remainder for consideration in 1969. Those proposed for reclassification in 1968 in Africa and the Middle East include two P-4's and one P-3 to P-5, two P-3's to P-4 and four P-2's to P-4. Additionally one post in the branch office in France is proposed for re-classification from the P-2 to P-3 level. The Advisory Committee having considered the special reasons adduced in justification of the proposals has no objection to the re-classifications proposed by the High Commissioner.

⁶³ *Ibid.*, Twentieth Session, Supplement No. 7 (A/6007), para. 181.

357. As regards the turnover adjustment of 2 per cent applied to the costs of professional staff and above in Section 17, the Advisory Committee suggests that, on the basis of experience, and given a manning table of 102 posts in the professional and higher categories, a 3 per cent deduction for turnover could not be considered excessive. The Advisory Committee also considers that some savings will be possible in the costs presented under other headings of the 1968 estimates.

358. Accordingly the Advisory Committee recommends an appropriation under Section 17 of \$3,469,000, representing a reduction of \$30,000 in the estimate submitted by the Secretary-General.

Reduction recommended:

	\$
Section 17. Office of the High Commissioner for Refugees	30,000

Part VIII. International Court of Justice

SECTION 18. INTERNATIONAL COURT OF JUSTICE

	\$
Estimate submitted by the Secretary-General	1,248,100
Estimate recommended by the Advisory Committee	1,225,000
1966 (actual expense)	1,103,429
1967 (appropriation)	1,149,900

359. The estimates under this section for 1968 show a net increase of \$98,200 over the 1967 authorization and of \$144,671 over 1966 expenditures. More than 50 per cent of the increase proposed over 1967 relates to chapter I (Salaries and expenses of Members of the Court). Table 26 shows the comparison of estimates and expenses over the years 1966, 1967 and 1968.

Table 26

INTERNATIONAL COURT OF JUSTICE: SUMMARY BY CHAPTER AND BY YEAR FOR 1966, 1967 AND 1968

Chapter	1968 estimate	1967 appropriation	1966 expenditure	Increase between 1967 and 1968
	\$	\$	\$	\$
I. Salaries and expenses of Members of the Court	601,650	549,800	566,456	51,850
II. Salaries, wages and expenses of the Registry	525,350	505,550	454,157	19,800
III. Common services	112,000	87,050	69,718	24,950
IV. Permanent equipment	9,100	7,500	13,098	1,600
TOTAL, Section 18	1,248,100	1,149,900	1,103,429	98,200

360. The provision of \$601,650 under chapter I (Salaries and expenses of Members of the Court) reflects an increase of \$51,350 over the 1967 appropriation and of \$35,194 as compared with the 1966 expenditure. It is to be noted, however, that no estimate has been included under item (vii) (*Ad Hoc* judges, assessors, witnesses and experts) since these expenses are of a contingent nature. In this regard provision has been made in the draft resolution relating to unforeseen and extraordinary expenses in 1968 authorizing the Secretary-General to enter into commitments up

to \$37,500 for *Ad Hoc* judges and \$25,000 for assessors, witnesses and experts. Actual expenses amounted to \$24,969 in 1966. Almost the entire amount of the increase under this chapter relates to requirements for pensions of the four judges who retired recently.

361. The increase of \$19,800 for chapter II (Salaries, wages and expenses of the Registry) is attributable to the following elements:

(i) Item (i), Established posts, is raised by \$30,000 as result of a net increase in the number of established posts (from 30 to 32);

(b) Items (iv) and (v), Travel and removal of staff and dependants and Installation payments, are increased by \$3,100 as a consequence of the changes in the manning table;

(c) Items (vi), (vii) and (xi), Contributions to Joint Staff Pension Fund, Dependency allowances and Travel on home leave, are \$6,000 above the 1967 provisions in accordance with expected entitlements.

362. These increases are offset by a reduction of \$19,000 in temporary assistance requirements. It must be noted, however, that experience has proved that temporary assistance requirements have been subject to revision based on the meetings schedule of the Court. The Committee has been informed that the proposed increase in the number of established posts will partially offset future temporary assistance requirements.

363. The estimates for chapter III (Common services) show an over-all increase of \$24,950 attributable mainly to an increase in the annual payment to the Board of Directors of the Carnegie Foundation for the use of the building by the International Court of Justice (some \$14,000), as a result of increases in the price and wage levels, and to an expansion of the printing programme.

364. As regards the increased requirements for the estimated costs of Salaries, wages and expenses of the Registry, the Committee recognizes that the establishment has been fairly stable in recent years. The Committee has also noted that although the reorganization will result in a net increase of two posts the number of professional posts will be reduced by one. This is the result of the abolition of three posts at the P-2 level and the addition of two posts at the P-4 level, in order to relieve senior staff of certain linguistic responsibilities.

365. Having considered the fact that provision has been made for salary and common staff costs related to the new posts on a full year's basis and that for all other staff no turnover factor has been applied, the Advisory Committee believes that savings are possible. Provision for travel of Members of the Court and the Registry and other entitlements which are estimated in full may not be fully utilized. In the light of these observations the Committee recommends an appropriation of \$1,225,000, which represents a reduction of \$23,100 in the estimate submitted by the Secretary-General.

Reduction recommended:

	\$
Section 18. International Court of Justice	23,100

Part IX. United Nations Conference on Trade and Development

SECTION 19. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

	\$
Estimate submitted by the Secretary-General	9,743,000

	\$
Estimate recommended by the Advisory Committee	9,068,000
1966 (actual expense)	5,450,215
1967 (appropriation)	7,407,000

366. The estimates under Section 19 provide for the United Nations Conference on Trade and Development established as an organ of the General Assembly in accordance with resolution 1995 (XIX) of 8 January 1965.

367. The estimate of \$9,743,000 represents an increase of \$2,336,000 over the appropriation for 1967. This increase is attributable to the following factors:

- (i) \$1,723,500 for the second session of the Conference;
- (ii) \$533,500 for the increased cost of continuing in 1968 the establishment approved for 1967 (UNCTAD Secretariat and general administrative, meetings and documents services);
- (iii) \$236,500 for 25 new posts requested for 1968, including 21 in the UNCTAD Secretariat (salaries, wages and common staff costs);
- (iv) A net decrease of \$157,500 resulting from a reduction of \$197,000 in the provision for temporary assistance and overtime under chapter X partly offset by minor adjustments under other items.

368. Income from staff assessment relating to established posts and temporary assistance posts is included under Income section 1 in the amount of \$950,000. As regards assessed contributions to be received from non-member States participating in UNCTAD activities, the estimate of \$766,000 for this purpose will be credited to miscellaneous income under Income section 3. Furthermore an amount of \$586,600 is to be reimbursed by the Government of India in respect of the extra costs of holding the second session of the Conference at New Delhi. This sum will also be credited to Income section 3 as will the \$30,000 reimbursement from the Lead and Zinc Study Group for services rendered by UNCTAD. Consequently, the total income to be derived from UNCTAD activities in 1968 is estimated at \$2,332,600, or an increase of \$916,600 over the corresponding figure for 1967, reducing the rise in the *net* level of expenditure for 1968 to \$1,419,400.

369. It should be noted that although the UNCTAD estimates for 1968 have been presented under the same three main headings as the 1967 estimates: (A) Sessions of the Conference and of Expert and Advisory Bodies (\$2,134,000); (B) Secretariat of UNCTAD (\$4,783,000); and (C) Services provided through other offices of the United Nations (\$2,826,000), the division of the sections into chapters has been slightly modified so as to bring it into closer conformity with the normal presentation of the United Nations budget.

370. Table 27 below gives a breakdown by chapter of the expenses for 1966, the appropriations for 1967 and the estimates for 1968, the figures for 1966 and 1967 having been adjusted to the new chapter distribution to ensure comparability:

Table 27

Chapter	1968 estimates	1967 appropriations	1966 expenses	Increase or (decrease) between 1967 and 1968
	\$	\$	\$	\$
A. Sessions of the Conference and of Expert and Advisory Bodies				
I. Second session of the Conference ..	2,019,000	295,500	—	1,723,500
II. Sessions of expert and advisory bodies	115,000	115,000	82,023	—
TOTAL, part A	2,134,000	410,500	82,023	1,723,500
B. Secretariat of UNCTAD				
III. Salaries and wages	3,353,000	2,883,000	2,578,809	470,000
IV. Common staff costs	847,000	739,500	530,837	107,500
V. Travel of staff	145,000	160,000	112,164	(15,000)
VI. Hospitality	10,000	10,000	7,930	—
VII. Permanent equipment	17,000	35,000	64,390	(18,000)
VIII. General expenses	271,000	261,500	323,189	9,500
IX. Printing	140,000	147,000	126,861	(7,000)
TOTAL, part B	4,783,000	4,236,000	3,744,180	547,000
C. Services provided by other offices of the United Nations				
X. Salaries and wages	2,435,000	2,423,300	1,481,549	11,500
XI. Common staff costs	391,000	337,000	142,463	54,000
TOTAL, part C	2,826,000	2,760,500	1,624,012	65,500
GRAND TOTAL, section 19	9,743,000	7,407,000	5,450,215	2,336,000

371. As has been indicated in paragraph 367 above, the increase in the 1968 estimate over the approved 1967 appropriation is due to a large extent to the anticipated cost of the second session of the Conference on Trade and Development. In its sixth report to the General Assembly at its twenty-first session,⁶⁴ the Advisory Committee, while indicating that it was not in a position fully to evaluate the particular requirements of the Conference, suggested that serious consideration might be given to limiting the duration of the meetings as a means of reducing costs under all items of expenditure; accordingly the Committee recommended a reduction in the estimate for the Conference.

372. The Secretary-General bases his estimate for the second session of the Conference, *inter alia*, on the assumption that language and conference services will be required for a period of about eight weeks. The Advisory Committee believes that a shorter duration is not only desirable but also possible, with the co-operation of all the States Members of UNCTAD. It therefore recommends that every effort be made to conclude the work programme of the Conference within a period of seven weeks. Such a reduction in the duration of the Conference will result in substantial savings in respect of salaries and subsistence allowances for short-term staff, subsistence for regular staff, and costs of producing summary records, with a consequential

reduction in the cost of printing these summary records as part of the proceedings of the Conference. Accordingly the Advisory Committee recommends a reduction of \$175,000 in the estimate under chapter I, Second session of the Conference.

373. As regards the question of principle whether the summary records of various UNCTAD bodies should be printed, the Advisory Committee entertains doubts as to the need for this expenditure, especially in view of the fact that, by the time summary records are made available in printed form a full report on the deliberations and decisions of the body concerned is normally already in the hands of Governments. By way of comparison, the Advisory Committee would draw attention to the decision taken by the Industrial Development Board at its first session, that the summary records of meetings of the Board will not be printed. The Advisory Committee would suggest that, in reviewing its own rules of procedure, the second session of the Conference on Trade and Development might consider the possibility of dispensing with the printing of the summary records of its meetings. Pending consideration of this question by the Conference, the Advisory Committee has refrained from making any recommendation of its own in this matter with regard to the estimate under chapter I.

374. Bearing in mind the above-mentioned decision of the Industrial Development Board, and in line with its own position of principle in the matter, the Advisory Committee recommends that the provision for

⁶⁴ *Ibid.*, Twenty-first Session, Supplement No. 7 (A/6307), para. 331.

the printing of summary records of the Trade and Development Board be deleted, in the hope that the Trade and Development Board will agree with this recommendation. The consequential reduction in the estimate under chapter IX, Printing, is \$16,000.

375. The expenditures relating to the transcription, translation, editing and reproduction of provisional and final summary records of sessions of UNCTAD bodies other than the Conference and the Board are estimated by the Secretary-General at \$500,000. This amount is charged under chapter X, Salaries of staff providing services to UNCTAD, sub-chapter (ii), Temporary assistance. In this connexion the Advisory Committee would recall that for many years it has consistently advanced the view that subsidiary bodies should give serious consideration to dispensing with the costly arrangement of having both summary records and an elaborate report to the parent body.

376. In a preliminary report prepared pursuant to General Assembly resolution 2247 (XXI), which was made available to the Advisory Committee, the Publications Board recommended that *ad hoc* committees and other subsidiary bodies of main organs of the United Nations (or their parent bodies), should be invited to consider whether the nature and objective of their proceedings might allow them to dispense with summary records and to rely on an adequate reflection of all views expressed and decisions reached in their final report, or to provide themselves with minutes only. The Advisory Committee strongly supports that recommendation.

377. The Secretary-General of UNCTAD has indicated that he is in principle in agreement with the views of the Advisory Committee and the Publications Board as described above. The Advisory Committee feels that the Conference and the Trade and Development Board may wish to review the need for summary records of subsidiary bodies, in the light of existing rules of procedure, with a view to their total elimination. Pending such a review the Advisory Committee recommends that the estimate under sub-chapter (ii), Temporary assistance, of chapter X, Salaries of staff providing services to UNCTAD, be reduced by \$250,000, the reduction to be applied on a selective basis.

378. As regards chapter III, Salaries and wages, the 1968 estimate at \$3,353,000 represents an increase of \$470,000 over the approved 1967 appropriations and of \$774,191 over actual expenditure in 1966. The estimate under sub-chapter (i), Established posts, shows an increase of \$400,000 over the 1967 appropriation, of which \$156,490 is in respect of twenty-one new posts (eleven professional and ten general service). Ten of these new posts have been requested for the Division for Invisibles, mainly in connexion with the increased workload relating to shipping. The Advisory Committee appreciates the efforts made by the Secretary-General of UNCTAD with a view to consolidating the work programme and the concomitant financial implications. It does not object to necessary adjustments in the manning table, but it believes that additional requirements should be kept to a minimum consistent with the efficient discharge of the organization's functions. Moreover, even assuming a satisfactory level of recruitment in 1967, a fairly large number of vacancies are to be expected at the end of the year, *inter alia*, because of normal staff wastage.

379. As has been indicated in paragraph 367 above, the estimated cost of the salaries and wages of the 25 new posts requested for 1968 under chapters III and X (i), together with the corresponding provision under chapter IV in respect of common staff costs, amounts to \$236,500. For the reasons stated in the preceding paragraph, the Committee recommends a reduction of approximately one-half in the number of new posts requested. The corresponding reduction in the estimate, including reduced provision for travel of staff, amounts to \$125,000.

380. In line with its recommendation in Section 3 of the budget that the turnover factor be increased from 5 to 6 per cent for established professional posts and that a factor of 1 per cent be applied to established general service posts, the Advisory Committee recommends that the same formula be used for the Secretariat of UNCTAD and for the posts of staff in other Offices of the United Nations providing services to UNCTAD. The corresponding reduction in the 1968 estimate would amount to \$59,000 under chapters III and X.

381. The estimate for consultants amounts to \$250,000. While agreeing that it is sometimes advantageous to rely on consultant services, instead of requesting additional established posts, the Advisory Committee believes that the estimate under sub-chapter (ii) of chapter III can be reduced by \$50,000, i.e., to the level approved for 1967, without detriment to the activities of UNCTAD.

382. The Advisory Committee's recommendations described in the three preceding paragraphs represent a total reduction of \$234,000 under chapters III, IV, V and X (i).

383. The estimate under chapter X, Salaries of staff providing services to UNCTAD, amounts to \$2,435,000, \$11,500 more than in the 1967 appropriation and \$953,451 more than expenditure in 1966. The estimate for established posts, at \$1,505,500, is \$208,500 higher than the 1967 appropriation; this increase is partly due to the request for one new professional and three new general service posts and the re-classification of two professional posts; the Advisory Committee's recommendation in the matter of new posts is given in paragraph 379 above. The estimate for temporary assistance at \$899,500 is \$203,000 less than the 1967 appropriation. As has been indicated in paragraph 376 above, the Advisory Committee recommends a reduction of \$250,000 under this chapter in respect of temporary assistance for summary records.

384. In the light of the foregoing considerations, the Advisory Committee recommends an appropriation of \$9,068,000 under Section 19, which represents a reduction of \$675,000 as compared with the estimate submitted by the Secretary-General.

Recapitulation of reductions recommended:

	\$
Section 19. United Nations Conference on Trade and Development:	
Chapter I, Second session of the Conference.....	175,000
Chapters III, IV, V and X (i), Salaries and wages, Common staff costs and Travel of staff	234,000
Chapter IX, Printing	16,000
Chapter X (ii), Temporary assistance for summary records of subsidiary bodies	250,000
	<hr/>
	675,000
	<hr/>

Part X. United Nations Industrial Development Organization**SECTION 20. UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION**

	\$
Estimate submitted by the Secretary-General	9,202,000
Estimate recommended by the Advisory Committee	8,072,000
1966 (actual expense)	2,978,743
1967 (appropriation)	5,914,600

385. The estimates under Section 20 provide for the United Nations Industrial Development Organization (UNIDO) established as an organ of the General Assembly in accordance with its resolution 2152 (XXI) of 17 November 1966.

386. In the report (A/6481), which he had submitted at the time to advise the General Assembly of the financial implications of the creation of UNIDO, the Secretary-General had stressed that he was faced with some difficulty in providing definitive estimates of the requirements of the new organization in 1967 (Section 21 of the budget estimates for 1967). In particular, the first session of the Industrial Development Board which would take decisions on the structure, work programme and secretariat requirements of UNIDO was scheduled for the spring of 1967. Consequently, the Secretary-General had had to base his estimates on certain assumptions in regard to the rate of growth of UNIDO. Furthermore, in the absence of any decision as to the site of the new organization, the Secretary-General had had no alternative but to assume that it would remain in New York at least to the end of 1967, thus limiting the additional staff requirements of UNIDO to some strengthening of the substantive divisions and the creation of an executive office and a small secretariat of the Industrial Development Board. On 2 November 1966, the Advisory Committee reported on these estimates in its eleventh report to the twenty-first session (A/6493).

387. On 17 December 1966, the General Assembly, by resolution 2212 (XXI), decided to locate the headquarters of UNIDO in Vienna. As time was not available before the end of the session for the preparation of detailed cost estimates in respect of the transfer of UNIDO to Vienna, the Secretary-General suggested (A/C.5/1110) that subject to the prior concurrence of the Advisory Committee, all the additional costs which would arise in 1967 be met initially under the terms of the resolution relating to unforeseen and extraordinary expenses or, alternatively, that the General Assembly might wish to make a budgetary provision of \$500,000 and to authorize him to meet any expenditures as might be necessary in excess of that amount, under the terms of the aforesaid resolution with the concurrence of the Advisory Committee. The Advisory Committee recommended, and the Fifth Committee at its 1170th meeting on 19 December 1966 agreed, to adopt the second alternative, i.e., that a provision of \$500,000 be made in the 1967 budget for expenses in connexion with the location of the secretariat in Vienna, on the understanding that no expenditures would be incurred against that provision without the prior concurrence of the Advisory Committee and that the

Secretary-General be authorized to meet expenditures in excess of that amount initially under the resolution relating to unforeseen and extraordinary expenses for 1967, again with the prior concurrence of the Advisory Committee.

388. In the course of its mid-year review of the 1967 budget, the Advisory Committee was informed by the Secretary-General that the costs of relocating the UNIDO headquarters in Vienna were now estimated at some \$2,324,000 or \$1,824,000 in excess of the \$500,000 initial provision; this shortfall would be partly offset by anticipated savings of some \$664,500 under other chapters resulting mainly from a rescheduling of the recruitment of substantive staff on the assumption of the Executive Director that UNIDO would begin full operations in Vienna by October 1967. The Advisory Committee's recommendations in this connexion are described in paragraphs 396 and 397 below.

389. Subject to the tentative nature of the data involved, and to what has been said in the preceding paragraph, table 28 shows by chapter the initial estimates submitted by the Secretary-General for 1968, the appropriations voted by the General Assembly for 1967 and the expenses recorded for 1966, the latter relating essentially to the former Centre for Industrial Development and the international and regional symposia on industrial development.

390. The Advisory Committee based its consideration of the 1968 estimates on the actual situation in 1967, especially with regard to the size of UNIDO's staff and the vacancy situation, together with the prospects of the early recruitment of substantial numbers of highly specialized staff. The Committee proceeded from the need for economy and for a disciplined rate of growth.

1967 establishment

391. The UNIDO manning table as on 1 January 1967 consisted of 108 professional and 75 general services posts transferred from the former Centre for Industrial Development and of 8 professional and 8 general service posts transferred from the Bureau of Technical Assistance Operations. All these posts were in the substantive area.

392. The Advisory Committee was informed that a further 75 posts could be financed out of the special provision of \$700,000 appropriated by the General Assembly for requirements of additional staff services. Of the above total, 34 professional and 29 general service posts could be added to the substantive divisions and 6 professional and 6 general service posts to the Division of Administration. The number of posts to be financed out of the total amount of \$3,399,500 which the General Assembly appropriated at its twenty-first session under chapters IV and XIII of Section 21 (A/6481, para. 20), can thus be estimated at 274, including 150 professional and 112 general service posts in the substantive divisions and 6 professional and 6 general service posts in the Division of Administration.

393. The Industrial Development Board was informed at its first session in April 1967 that 109 professional staff (eight of whom were in non-substantive posts) were serving with UNIDO on 10 April 1967. The Board also had before it a tentative target establish-

Table 28

Chapter	1968 estimates	1967 appropriations	1966 expenses
	\$	\$	\$
I. Second session of the Industrial Development Board and meetings of its subsidiary organs	50,000	261,500	—
II. Meetings of expert and advisory bodies..	96,000	96,000	—
III. Salaries and wages	6,088,000	2,699,500	2,054,881
Additional staff requirements		700,000	
		3,399,500	
IV. Common staff costs and travel on home leave	1,805,000	590,600	440,648
V. Travel of staff on official business	170,000	77,500	25,051
VI. Payments under annex I, paragraphs 2 and 3 of the Staff Regulations; Hospitality ..	10,000	6,000	4,250
VII. Permanent equipment	35,000	40,000	—
VIII. Maintenance, operation and rental of premises	70,000	—	—
IX. General expenses	200,000	200,000	—
X. Publications programme and contractual reproduction services	400,000	157,000	61,915
XI. International Symposium on Industrial Development	278,000	586,500	391,998
Initial allowance for relocation expenses..	—	500,000 ^a	—
TOTAL, Section 20	9,202,000	5,914,600 ^b	2,978,743 ^c

^a As will be seen from paragraph 388 above, the Secretary-General estimates that the relocation of the UNIDO headquarters in Vienna including non-recurring expenses will cost some \$2,324,000, or \$1,824,000 more than the amount included in the approved 1967 appropriations. The Advisory Committee's recommendation is described in paragraph 396 and 397.

^b Includes \$157,500 transferred from Section 3, chapter I, relating to staff of Bureau of Technical Assistance Operations in the Department of Economic and Social Affairs and \$27,600 from Section 4 for the same reason.

^c Includes \$391,998 transferred from Section 2, chapter VI, a total of \$2,054,881 from Section 3 relating to the former staff in Centre for Industrial Development and Bureau of Technical Assistance Operations in the Department of Economic and Social Affairs (chapter I—\$1,734,208, chapter III—\$318,028, chapter IV—\$2,645); \$403,229 from Section 4 as a whole; \$62,470 from Section 5 (chapter I—\$25,051, chapter III—\$37,419); and \$4,250 from Section 6, chapter I and \$61,915 from Section 11 (chapter II—\$23,009, chapter III—\$38,906).

ment of UNIDO consisting of 201 professional and 145 general service posts in the substantive divisions, and of 70 professional and 173 general service posts in the Division of Administration, or a total of 589 posts (271 professional and 318 general service).

394. Re-programmed figures for the 1967 establishment, based on a phased build-up of posts were presented to the Advisory Committee in connexion with the mid-year review of the 1967 budget (see table below). In accordance with these figures, the appropriate

	Substantive divisions		Division of Administration		Totals		Grand totals
	Professional	General Service	Professional	General Service	Professional	General Service	
January-April 1967	108	83	4	6	112	89	201
May-August 1967	118	83	35	33	153	116	269
September-December 1967 ..	172	120	108	212	280	332	612

tions approved by the General Assembly at its twenty-first session (see para. 392 above) could be used to finance 172 professional and 120 general service posts in the substantive divisions and 6 professional and 6 general service posts in the Division of Administration, or a total of 304 posts (178 professional and 126 general service). The Secretary-General requested an additional total of 308 posts (102 professional and 206

general service) for the Division of Administration, to be financed in accordance with the decision taken by the Fifth Committee of the General Assembly at its 1170th meeting (see para. 387 above). The total requested establishment for 1967 thus amounted to 612 posts.

395. The Advisory Committee was further informed that the number of UNIDO staff in service on 5 June 1967 was 120 professional and 95 general service in the

Detailed recommendations on the budget estimates

Substantive Divisions and 11 professional and 6 general service in the Division of Administration, making a total of 232 (131 professional and 101 general service).

396. On the basis of the vacancy position, and bearing in mind delays in recruitment and the fact that the move of UNIDO to Vienna will take place late in 1967, the Advisory Committee, in its reply to the request submitted by the Secretary-General pursuant to the General Assembly decision described in paragraph 387 above, concurred in an establishment for 1967 of 506 posts, consisting of 172 professional and 120 general service posts in the substantive areas, and of 78 professional and 136 general service posts in the Division of Administration (or a total of 250 professional and 256 general service posts). As can be seen from a comparison of these figures with the ones given in paragraph 394 above, the substantive establishment for 1967 concurred in by the Advisory Committee corresponds to the number of posts which can be financed

from approved appropriations. As regards the Division of Administration, the professional establishment—though 30 posts less than the re-programmed figure—is in excess of the target presented to the Industrial Development Board; the number of general service posts in the Division of Administration (136) is 76 less than the re-programmed figure and 37 less than the figure presented to the Industrial Development Board.

397. The number of authorized and proposed posts in 1967, together with the Advisory Committee's concurrence for that year, described in paragraphs 391-396 above, are summarized in table 29.

1968 establishment

398. In considering the staff requirements of UNIDO in 1968, the Advisory Committee bore in mind that 1968 will be UNIDO's first full year of operation in Vienna and that, in the absence of data based on ex-

Table 29

UNIDO ESTABLISHMENT IN 1967

Number of authorized and proposed posts, and concurrence by Advisory Committee

	Substantive divisions		Division of Administration		Totals		Grand totals
	Professional	General Service	Professional	General Service	Professional	General Service	
A. Posts which can be financed out of approved appropriations							
By transfer from Centre for Industrial Development	108	75	—	—	108	75	183
By transfer from Bureau of Technical Assistance Operations	8	8	—	—	8	8	16
Financed under \$700,000 Special provision (estimate)	34	29	6	6	40	35	75
	—	—	—	—	—	—	—
TOTAL estimated initial establishment authorized for 1967	150	112	6	6	156	118	274
B. Re-programmed establishment for 1967							
From sources described in section A above	172	120	6	6	178	126	304
To be financed pursuant to decision taken by Fifth Committee at its 1170th meeting	—	—	102	206	102	206	308
	—	—	—	—	—	—	—
TOTAL	172	120	108	212	280	332	612
C. Action by the Advisory Committee for 1967							
Estimated establishment as per section B above	172	120	108	212	280	332	612
Establishment concurred in by Advisory Committee	172	120	78	136	250	256	506
	—	—	—	—	—	—	—
Reduction by Advisory Committee for 1967	—	—	30	76	30	76	106
	—	—	—	—	—	—	—

perience, the Secretary-General's estimates are necessarily tentative, in particular as regards the administrative services required, general expenses and sundry housekeeping items. The Committee fully recognized the importance of ensuring adequate programme expansion, consistent with reasonable estimates of the Organization's ability to recruit fully qualified staff. It appreciated the need for a Division of Administration of an adequate size to provide reasonable supporting services for the substantive personnel.

399. The estimate under chapter III for 1968 (\$6,088,000) represents an increase of \$2,688,500, or 79 per cent, over the approved 1967 appropriations under chapters IV and XIII (A/6481). Inasmuch as this appropriation does not include the costs of the Division of Administration concurred in by the Advisory Committee, which will be financed under chapter XII of Section 21 of the 1967 budget (A/6481), the difference between the estimated staff costs in 1968 and the adjusted figure for 1967 will be correspondingly lower.

In terms of additional posts requested for 1968, as compared with the re-programmed establishment for 1967, the 1968 estimate shows an over-all increase of 58 posts, consisting of 33 professional and 25 general service posts in the substantive divisions. The 1968 establishment requested by the Secretary-General is 164 posts larger than the total concurred in by the Advisory Committee for 1967 (33 professional and 25 general service posts in the substantive area and 30 professional and 76 general service posts in the Division of Administration).

400. A comparison between the establishment proposed for 1968 and the number of staff in service on 5 June 1967 (see para. 395 above) shows that the number of posts which would have to be filled within a period of some eighteen months would amount to 85 professional and 50 general service in the substantive areas and 97 professional and 206 general service in the Division of Administration, or a grand total of 438 posts. The proposed structure and staffing of UNIDO—which will be dependent in part on the relative weight to be attached to “action-oriented” and “promotional” programmes, and on the extent to which the activities of UNIDO are decentralized (points on which different views were voiced in the Industrial Development Board)—has not yet been considered by the General Assembly. Irrespective of whether or not the proposed organizational pattern is the one decided upon by the General Assembly, the Advisory Committee has doubts as to the practical feasibility of recruiting within a span of some eighteen months the large number of substantive officers shown in the budget estimates, especially if one bears in mind the need for recruiting on a broad geographical basis experts who are in short supply in most countries. With regard to the administrative and languages staff it might be worth recalling that while the General Assembly decision to locate UNIDO in Vienna *ipso facto* implied a decision to set up supporting services larger than those which would have been required had New York or Geneva been selected, the size of the languages component of the Division of Administration is related to a decision of the Industrial Development Board as to UNIDO's official and working languages and documentation on which the General Assembly has not so far been able to express its opinion. As in the case of substantive staff, so also with administrative and language officers, the Advisory Committee has doubts as to UNIDO's ability to recruit all the staff by the end of 1968, especially if one bears in mind the effect of the Organization's move to Vienna. It also feels that savings can be effected in the administrative services proposed by the Secretary-General.

401. In the light of the uncertainties described above, and bearing in mind the need for a planned development in which provision will be made for the proper assimilation of newly-recruited staff, the Advisory Committee reached the conclusion that the establishment proposed in the budget estimate for 1968 could be reduced without detriment to the activities of the organization and without impeding the development of UNIDO during the early formative period of its existence. In particular the Advisory Committee felt that expansion in 1968 should fully take into account the rate at which the Executive Director would be able to fill the many vacancies expected to exist at the beginning of the year, and other factors affecting the orderly and

positive growth of this new field of activity for the United Nations. In this connexion the Advisory Committee would like to stress that UNIDO is more likely to benefit the developing countries if its structure evolves in the light of experience.

402. As stated in paragraph 396 above the Advisory Committee reached the conclusion that the UNIDO establishment in 1967 should consist of 250 professional and 256 general service staff, or a total of 506.

403. The Advisory Committee recommends that the establishment for 1968 should consist of 258 professional and 296 general service posts, or a total of 554 posts, representing an increase of 355 posts over the establishment transferred to UNIDO at the end of 1966 from the Centre for Industrial Development and the Bureau of Technical Assistance Operations, and an increase of 48 posts as compared with the Committee's recommendation for 1967. The figures being recommended for 1968 are 55 professional posts and 61 general service posts below the 1968 budget estimates. The breakdown of the 1968 establishment as recommended by the Advisory Committee is 178 professional and 126 general service posts in the substantive divisions and 80 professional and 170 general service posts in the Division of Administration.

404. Table 30 below summarizes the 1968 proposed establishment and the Advisory Committee's recommendations thereon, as described in detail in paragraphs 398-403 above.

405. The reduction in the manning table recommended by the Advisory Committee signifies a reduction of \$740,000 in the estimate under chapter III of Section 20, with a consequential reduction of \$220,000 under chapter IV. The Committee realizes that, as a consequence of these reductions in established posts, the expenditure on temporary assistance is likely to be higher than originally estimated.

406. The Advisory Committee recommends approval of the estimates under chapter I, Second session of the Industrial Development Board and meetings of its subsidiary organs (\$50,000), chapter II, Meetings of expert and advisory bodies (\$96,000), chapter VI, Hospitality (\$10,000), and chapter VIII, Maintenance, operation and rental of premises (\$70,000), in the amounts proposed by the Secretary-General.

407. The estimate under chapter V, Travel of staff on official business, amounts to \$170,000. Bearing in mind the necessarily tentative nature of the estimate and the reduction in the establishment recommended in paragraph 403 above, the Advisory Committee recommends a reduction of \$20,000 in the estimate under chapter V.

408. With regard to chapter VII, Permanent equipment, the Committee recommends a reduction of \$25,000 in the estimated amount of \$35,000, in view of the staff reductions referred to above and of the fact that the bulk of such equipment will have been purchased in 1967.

409. The Advisory Committee believes that the estimate under chapter IX, General expenses, in the amount of \$200,000, is necessarily tentative in nature. It accordingly recommends a reduction of \$25,000 under this chapter.

410. The estimate under chapter X, Publication programme and contractual reproduction services,

Table 30

UNIDO ESTABLISHMENT IN 1968

	Substantive divisions		Division of Administration		Totals		Grand totals
	Professional	General Service	Professional	General Service	Professional	General Service	
A. Estimates submitted by the Secretary-General							
Establishment at end of 1967	172	120	108	212	280	332	612 ^a
Additional posts requested in 1968	33	25	—	—	33	25	58
TOTALS	205	145	108	212	313	357	670
B. Recommendations of the Advisory Committee							
Establishment for 1967	172	120	78	136	250	256	506
Additional posts for 1968	6	6	2	34	8	40	48
TOTAL recommended establishment for 1968	178	126	80	170	258	296	554
REDUCTION in proposed 1968 establishment recommended by Advisory Committee	27	19	28	42	55	61	116

^a See table 29, section B.

amounts to \$400,000 as against \$157,000 in the 1967 appropriations. Considering that the publications programme of a new organization such as UNIDO is unlikely to reach the estimated level in the first full year of operation, the Advisory Committee recommends a reduction of \$100,000 in the estimate under this chapter.

411. In the light of the foregoing the Advisory Committee recommends an appropriation of \$8,072,000 under Section 20, representing a reduction of \$1,130,000 in the estimate proposed by the Secretary-General.

Recapitulation of reductions recommended:

Section 20. United Nations Industrial Development Organization:

	\$
Chapter III	740,000
Chapter IV	220,000
Chapter V	20,000
Chapter VII	25,000
Chapter IX	25,000
Chapter X	100,000
	<u>1,130,000</u>

Estimates of income

412. A summary of the estimates of income in 1968, as compared with approved estimated income for 1967 and actual income received in 1966 is given in table 31 below.

Table 31

SUMMARY OF ESTIMATES OF INCOME FOR 1968, COMPARED WITH APPROVED ESTIMATES FOR 1967 AND ACTUAL INCOME FOR 1966

	1968 estimates	1967 approved estimates	1966 actual income	Increase between 1967 and 1968
	\$	\$	\$	\$
1. Income from staff assessment	15,000,000	13,249,800	12,519,168	1,750,200
2. Funds provided from extra-budgetary accounts	2,436,150	2,196,276	2,099,324	239,874
3. General income	3,813,600	2,742,525	2,312,945	1,671,075
4. Revenue-producing activities	2,686,950	2,376,525	3,002,571	310,425
TOTAL, income other than staff assessment	8,936,700	7,315,326	7,414,840	1,621,374
TOTAL INCOME	<u>23,936,700</u>	<u>20,565,126</u>	<u>19,934,009</u>	<u>3,371,574</u>

Part I. Income from staff assessment**INCOME SECTION 1. STAFF ASSESSMENT INCOME**

	\$
Estimate submitted by the Secretary-General	15,000,000
Estimate recommended by the Advisory Committee	14,442,700
1966 (actual income)	12,519,168
1967 (estimated income)	13,249,800

413. The estimate under this section relates to anticipated revenue from assessments levied in accordance with regulation 3.3 of the Staff Regulations on salaries and emoluments paid to staff. The full amount of this revenue will be credited to the Tax Equalization Fund for distribution therefrom to the Member States in accordance with General Assembly resolution 973 (X) of 15 December 1955.

414. The total estimate of \$15,000,000 is \$1,750,200 higher than the estimate approved for 1967. Of this total an amount of \$12,443,000 relates to assessments on salaries and emoluments charged under Sections 2, 3, 4, 12 and 16 and Income sections 3 and 4. The balance is made up of \$414,000 in respect of the Office of the United Nations High Commissioner for Refugees (Section 17), \$68,000 relating to the International Court of Justice (Section 18), \$950,000 under the United Nations Conference on Trade and Development (Section 19) and \$1,125,000 under the United Nations Industrial Development Organization (Section 20).

415. Inasmuch as income from staff assessment is directly related to expenditures on salaries and emoluments, the reductions recommended by the Advisory Committee under Sections 3, 19 and 20 (see paras. 178-183, 190, 197, 379-381, and 403 above) will entail a consequential reduction of \$557,300 in staff assessment income.

416. Accordingly the Advisory Committee recommends the amount of \$14,442,700 in respect of revenue under Income section 1.

Reductions recommended:

	\$
Income section 1. Staff assessment income	557,300

Part II. Other income**INCOME SECTION 2. FUNDS PROVIDED FROM EXTRA-BUDGETARY ACCOUNTS**

	\$
Estimate submitted by the Secretary-General	2,436,150
Estimate recommended by the Advisory Committee	2,436,150
1966 (actual income)	2,099,324
1967 (estimated income)	2,196,276

417. The total estimate of \$2,436,150 covers the following anticipated contributions to the regular budget:

(a) \$1,574,600 from the Technical Assistance component of the United Nations Development Programme, as a contribution towards administrative and operational

services costs incurred by the United Nations as a participating organization;

(b) \$440,000 from the voluntary funds at the disposal of the High Commissioner for Refugees as a grant-in-aid relating to the administrative costs provided in Section 17 of the budget;

(c) \$421,550 from the United Nations Joint Staff Pension Fund.

418. The contribution from the Technical Assistance component of the United Nations Development Programme (\$1,574,600) represents an increase of \$155,668 over the 1967 estimate and of \$219,508 over actual income in 1966. The amount of this lump-sum contribution is calculated pursuant to Economic and Social Council resolution 1060 (XXXIX) which provides that, beginning in 1966, the annual allocation towards the administrative and operational service costs of the participating organizations will be equal to 14 per cent of one-half of the approved field programmes of the previous biennium (in this instance the biennium 1965/1966).

419. The estimated grant-in-aid from the voluntary funds of the High Commissioner for Refugees (\$440,000) is \$50,000 above the 1967 approved estimate and \$88,965 above actual income in 1966. The formula used for calculating this grant-in-aid, as adopted by the General Assembly at its twentieth session on the recommendation of the Advisory Committee,⁶⁵ together with the change in its interpretation suggested by the High Commissioner have been described in Section 17, Office of the High Commissioner for Refugees (paras. 347-349) above. The figure of \$440,000, included in the 1968 estimates, reflects the interpretation of the formula as suggested by the High Commissioner.

420. The estimated contribution of \$421,550 from the Joint Staff Pension Fund represents an increase of \$34,206 over the 1967 approved estimate and of \$73,353 over actual income in 1966. It is based on an agreement for the apportionment of the costs of the Fund, whereunder they are met initially under the United Nations regular budget, with a subsequent reimbursement to the United Nations of two thirds of the net salaries of established posts, common staff costs and travel on home leave, together with other expenditure according to the merits of each particular case. The increase over 1966 is attributable partly to higher staff costs, partly to a higher provision for contractual investment services, and partly to a higher rate of reimbursement to the United Nations for various services rendered.

421. In the light of the foregoing considerations, the Advisory Committee recommends an estimate for Income section 2 in the amount of \$2,436,150, as proposed by the Secretary-General.

INCOME SECTION 3. GENERAL INCOME

	\$
Estimate submitted by the Secretary-General	3,813,600
Estimate recommended by the Advisory Committee	3,900,000
1966 (actual income)	2,312,945
1967 (estimated income)	2,742,525

⁶⁵ *Ibid.*, Twentieth Session, Annexes, agenda item 76, document A/6138.

422. Income section 3 shows a net increase of \$1,071,075 over the approved estimates for 1967, and of \$1,500,655 over actual income in 1966. Table 32 below shows a breakdown of general income by items for the years 1966-1968.

423. The rental income accruing at Headquarters and Geneva includes garage parking fees and the rental of office space by specialized agencies, staff-sponsored activities, and external organizations. In line with the policy described in Chapter I (para. 44) above, the salaries and common staff costs directly related to the supervision and operation of the garage at Headquarters have been charged against gross revenue under this item.

424. The net increase under item (ii) Reimbursement for staff and services furnished to specialized agencies and others (\$1,038,500) is largely attributable to the following reimbursements from host Governments in respect of the additional costs to be incurred as a result of certain conferences being held in their respective countries:

	\$
Government of India (second session of the United Nations Conference on Trade and Development)	586,800
Government of Iran (International Conference on Human Rights)	225,400
Government of Austria (International Conference on Road Signs and Signals, and International Conference of Plenipotentiaries on Law of Treaties)	145,500
	<u>957,700</u>

The estimated reimbursement from the Latin American Institute for Economic and Social Planning for common services provided in the United Nations building at Santiago, Chile, amounts to \$160,600. Other estimated revenue under item (ii) includes \$145,000 from governmental and other agencies and external institutions and \$50,000 from UNICEF for services rendered by the International Computing Centre.

425. The estimate under item (iii) Bank interest, in the amount of \$40,000, includes \$15,000 accruing at Geneva. Taking into account the fact that actual income under this item in 1966 amounted to some \$70,000 the Advisory Committee is of the opinion that revenue from Bank interest in 1968 has been underestimated.

426. Item (vi) provides for contributions from non-member States relating to their participation in the following United Nations activities: the International Court of Justice, the international control of narcotic drugs, the Economic Commissions for Europe and for Asia and the Far East, and the United Nations Conference on Trade and Development. The estimates are based on the expected level of expenditures in 1967. Assessment of non-member States will be on the basis of actual expenditure and they will be advised in the course of 1968 of their contributions towards the related expenditures incurred in the preceding year.

427. Estimated revenue under item (vii) Television and similar services, amounts to \$350,000, which is \$3,500 less than the approval estimate for 1967 and \$26,348 less than actual income in 1966. The Advisory Committee is of the opinion that, as in previous years,

Table 32

GENERAL INCOME: COMPARATIVE TABLE FOR THE YEARS 1966, 1967 AND 1968

Item	1968 estimates	1967 approved estimates	1966 actual income	Increase or (decrease) between 1967 and 1968
	\$	\$	\$	\$
(i) Rental income:				
Gross	280,800	256,500	307,633	
Less:				
Related staff costs	36,900	34,875	33,461	
Net	243,900	221,625	274,172	22,275
(ii) Reimbursement for staff and services furnished to specialized agencies and others	1,680,900	642,400	598,732	1,038,500
(iii) Bank interest	40,000	30,000	70,632	10,000
(iv) Sale of used equipment	77,700	90,000	55,715	(12,300)
(v) Refund of prior year's expenditures	108,000	125,000	152,235	(17,000)
(vi) Contributions from non-Member States	1,098,100	1,075,000	602,952	23,100
(vii) Television and similar services ..	350,000	353,500	376,348	(3,500)
(viii) Miscellaneous	95,000	85,000	99,364	10,000
(ix) Reimbursement for part of the construction costs of the United Nations building in Santiago, Chile	120,000	120,000	82,795	—
(x) Refund of the Organization's contribution to the United Nations Joint Staff Pension Fund in respect of participant withdrawals	<i>pro memoria</i>	—	—	—
TOTAL	<u>3,813,600^a</u>	<u>2,742,525</u>	<u>2,312,945</u>	<u>1,071,075</u>

^a Includes an amount of \$254,300 relating to the United Nations Office at Geneva.

actual income under this item will exceed the estimate. It therefore recommends that the latter be increased to \$400,000.

428. The estimate under item (ix) (\$120,000) represents the fourth of ten equal instalments to be paid by the Government of Chile in reimbursement of \$1.2 million, being part of the construction costs of the United Nations building at Santiago, Chile, which had initially been provided for under Section 7 in the regular budget for 1965 and 1966, pursuant to a decision taken by the General Assembly at its twentieth session.

429. The *pro memoria* entry under item (x) has been inserted to provide for the possibility that refunds from the Joint Staff Pension Fund may accrue to the Organization, under operative part II of General Assembly resolution 2191 (XXI) of 15 December 1966, in respect of participants in the Fund who, having entered the Fund after 1 January 1967, withdraw within five years without qualifying for a benefit, or are summarily dismissed.

430. The Advisory Committee is of the opinion that the level of income estimated under items (iii) (see para. 425 above), (iv) Sale of used equipment, and (viii) Miscellaneous, of Income section 3 might well be exceeded in actual fact. Accordingly, it recommends an estimate of \$3,900,000 for Income section 3, representing an increase of \$86,400 over the estimate submitted by the Secretary-General.

Recapitulation of increases recommended:

	\$
Income section 3. General income:	
Items (iii), (iv) and (viii)	36,400
Item (vii)	50,000
TOTAL INCREASE	86,400

INCOME SECTION 4. REVENUE-PRODUCING ACTIVITIES

	\$
Estimate submitted by the Secretary-General	2,686,950
Estimate recommended by the Advisory Committee	2,711,950
1966 (actual income)	2,991,852
1967 (estimated income)	2,376,525

431. Income section 4 consolidates in one place the various revenue-producing activities of a commercial nature which had previously been divided between former Income section 4, Sale of United Nations postage stamps, Income section 5, Sale of publications, and Income section 6, Services to visitors and catering services. In order to provide a fuller picture of these revenue-producing activities, all clearly identifiable related expenses, including the salaries and common staff costs of supporting staff (previously charged to Sections 3, 4 and 5) and the run-on costs of additional copies of United Nations publications (previously carried under Section 11) have been charged to Income section 4.

432. The revenue-producing activities of a commercial nature, grouped under this section, can be divided into activities where the profit motive is subsidiary and those where it plays a more prominent role. The latter includes the United Nations Postal Administration, the Gift Centre and the Souvenir Shop. The former category includes activities such as the sale of publications and the guided lecture tour services, which are designed primarily to disseminate information about the United Nations, and the catering services, where the aim is to provide on-the-premises facilities for delegates and staff at the lowest possible price.

433. Table 33 below shows the net revenue under the four chapters of Income section 4 for the years 1966-1968.

Table 33

Chapter	1968 estimates	1967 approved estimates	1966 actual income	Increase or (decrease) between 1967 and 1968
	\$	\$	\$	\$
I. Sale of United Nations postage stamps	2,095,000	1,402,900	2,236,462	692,100
II. Sale of publications and the Bookshop	263,450	581,681	246,435	(318,231)
III. Services to visitors and lecture tours	13,300	81,669	149,534	(68,369)
IV. Souvenir/Gift shops and catering services	315,200	310,275	359,421	4,925
TOTAL	2,686,950	2,376,525	2,991,852	310,425

434. Table 34 shows the gross approved estimates and actual incomes for the years 1962 to 1966.

435. The estimate under chapter I, Sales of United Nations postage stamps, in the amount of \$2,095,000 represents an increase of \$692,100 over the 1967 approved estimate, and a decrease of \$141,461 as compared with actual net income in 1966. The Secretary-General explains this decrease on the grounds that sales of United Nations stamps in 1966 benefited from a number of special circumstances such as the re-issue

of stamps marking the twentieth anniversary of UNICEF, sales through a mobile exhibit which toured seventeen countries in Europe, and special promotion at international exhibitions in Washington, New York and other cities.

436. Gross sales of United Nations postage stamps in 1968 are estimated at \$3,375,000, and gross revenue, after allowing for payments to the United States Post Office (\$425,000) and for refunds, adjustments and cancellations (\$27,000), is estimated at \$2,923,000.

Table 34
COMPARISON OF APPROVED ESTIMATES AND ACTUAL INCOMES
1962-1966

Chapter	1962		1963		1964		1965		1966	
	Approved estimate	Actual income	Approved estimate	Actual income	Approved estimate	Actual income	Approved estimate	Actual income	Approved estimate	Actual income
I. United Nations Postal Administration ..	\$ 1,275,000	\$ 1,358,623	\$ 1,300,000	\$ 1,363,748	\$ 1,400,000	\$ 1,703,983	\$ 1,465,000	\$ 2,071,165	\$ 1,670,000	\$ 2,603,532
II. Sale of publications	375,000	454,662	541,000	442,058	541,000	561,850	611,000	675,628	718,000	842,432
III. Visitors' Service:										
Headquarters	351,000	394,609	369,500	336,575	394,000	318,907	440,000	302,763	438,800	441,913
Geneva	22,000	20,696	14,000	22,079	24,000	22,350	22,000	24,764	23,600	31,249
IV. Souvenir Shop	156,000	208,385	204,000	208,580	228,000	243,503	230,000	239,743	216,000	258,660
— Gift Centre	187,000	184,030	184,000	150,778	182,000	128,787	183,500	133,016	127,000	135,148
— Catering Service	(41,000)	(20,790)	(40,000)	(30,105)	—	(7,450)	—	6,779	—	2,697
TOTALS	2,325,000	2,600,215	2,572,500	2,493,713	2,769,000	2,971,930	2,951,500	3,453,858	3,193,400	4,315,631

Expenses charged against revenue are estimated at \$828,000, including \$415,000 for established posts and common staff costs, \$188,000 for temporary assistance and \$25,000 for overtime and night differential.

437. In its report on the 1967 budget estimates⁶⁶ the Advisory Committee noted with satisfaction the very positive work done by the United Nations Postal Administration in stimulating public interest in the United Nations while at the same time procuring substantial revenue for the Organization. The estimates for 1968 show that every effort continues to be made to enlarge sales of United Nations postage stamps.

438. The estimate under chapter II, Sale of publications and the United Nations Bookshop amounts to \$263,450, which is \$318,231 below the net approved estimate for 1967 but \$17,015 above net actual income in 1966.

439. Gross retail sales in 1968 are estimated at \$1,941,500, representing an increase of \$44,000 over the 1967 approved estimates and of \$362,177 over actual gross retail sales in 1966. After allowing for discounts and commissions (\$427,500), the cost of sales including run-on costs of publications previously carried under Section 11 (\$435,350), and various adjustments, net revenue is estimated at \$984,150. The expenses charged against revenue are estimated at \$720,000, which amount includes \$257,200 in respect of salaries and common staff costs, \$105,000 for temporary assistance, \$85,000 for salaries of Bookshop employees and \$5,000 for overtime (total \$452,200). The net credit to income is estimated at \$263,450, or 13.6 per cent of gross sales.

440. The Advisory Committee is grateful to the Directing External Auditor for making available to it his report to the Board of Auditors on the sale of publications. The Committee is confident that the study of this report by the Publications Board and the Sales Section, and the implementation, as appropriate, of the recommendations made therein will result in increased revenue under chapter II.

441. The estimate under chapter III, Service to visitors and guided lecture tours, in the amount of \$13,300, is \$68,369 below the net 1967 approved esti-

mate and \$136,234 below net actual income in 1966. The Secretary-General estimates a net revenue of \$24,190 from the guided lecture tours at Headquarters, and a net loss of \$10,890 on the guided tours operation at Geneva.

442. An estimated number of 1,070,000 visitors are expected to take the guided lecture tours at Headquarters in 1968; this is equal to the average actual annual attendance for the biennium 1965-1966. Gross revenue from fees in 1968 is estimated at \$864,000, which is \$2,469 more than actual gross revenue in 1966. The expenses charged against revenue amount to \$839,810, including \$330,810 for salaries, common staff costs and home leave travel relating to established posts in the Visitors' Service, previously charged under Sections 3, 4 and 5, \$479,000 for salaries and wages of guides and dispatchers, and \$5,000 for temporary assistance and overtime and night differential.

443. Gross revenue from the Visitors' Service in Geneva is estimated at \$60,000, and expenses at \$70,890, including \$39,690 for salaries and common staff costs previously charged against Sections 3 and 4. The estimated loss on the operation amounts to \$10,890. Between 1963 and 1966, the last year for which actual attendance figures are available, the number of visitors gradually declined from 198,350 to 184,673. The Advisory Committee has been informed that the concept and organization of the Visitors' Service at Geneva are now under review.

444. The net estimated revenue under chapter IV, Souvenir Shop, Gift Centre and Catering Service amounts to \$315,200, which is \$4,925 more than the net approved estimate for 1967, but \$44,221 less than the net actual income from these operations in 1966.

445. Table 35 below lists the consolidated estimates of revenue and expenses for the three operations in chapter IV, for 1968, with comparative figures for 1967 and 1966.

446. The net revenue of \$250,000 from the Souvenir Shop at Headquarters has been estimated on a basis of gross sales amounting to \$660,000, as against actual gross sales of \$659,040 in 1966. The decrease of \$8,660 between actual net revenue in 1966 and estimated net revenue in 1968 is attributable wholly to increases in salaries.

Table 35

Chapter	1968 estimate	1967 approved estimate	1966 actual income	Increase between 1967 and 1968
	\$	\$	\$	\$
(i) Souvenir Shop	250,000	227,000	258,660	23,000
(ii) Gift Centre	139,000	132,300	135,148	6,700
(iii) Catering services	—	—	2,697	—
TOTAL REVENUE	389,000	359,300	396,505	29,700
<i>Less: Commercial Management Service:</i>				
Established posts	59,100	38,800	33,476	20,300
Common staff costs and home leave travel	14,700	10,225	3,608	4,475
TOTAL STAFF COSTS	73,800	49,025	37,084	24,775
Adjusted net revenue	315,200	310,275	359,421	4,975

⁶⁶ *Ibid.*, Twenty-first Session, Supplement No. 7 (A/6307), para. 363.

447. The estimated net revenue of \$139,000 from the Gift Centre is based on gross sales estimated at \$570,000 in 1968 as against actual gross sales of \$552,508 in 1966. The estimated increase in gross sales will be partly offset by increases in salaries, resulting in an estimated increase of \$3,852 in net revenue between 1966 and 1968.

448. The policy governing the operation of the catering services is that the price structure should be so designed, and adjusted from time to time, as to achieve a break-even point for the catering services as a whole.

449. A number of changes are proposed in the manning table relating to the revenue-producing activities covered by Income section 4. In the United Nations Postal Administration it is proposed to add four professional posts and to reclassify one professional post and two general service posts. In connexion with Sale of publications the change would involve the reclassification of two professional posts in the Sales Section and of one professional post in the Accounts Division and the creation of a new P-5 post under the Office of Public Information. In the Visitors' Service the Secretary-General proposes three reclassifications within the professional category, three reclassifications from the general service to the professional category, two reclassifications within the general service category, and the addition of a new general service post. The budget estimates also include provision for the estab-

lishment of a new post at the P-5 level and of two general service posts and the reclassification of one post from the general service to the professional category in the Commercial Management Service. The Secretary-General thus requests a total of nine new posts (six professional and three general service) and fifteen reclassifications (seven professional, four general service, and four general service to professional).

450. Bearing in mind its comments on the growth of staff in paragraphs 83-88 above, the Advisory Committee recommends that the number of new posts, relating to the revenue-producing activities be reduced by two (from nine to seven) and the number of reclassifications be reduced by four (from fifteen to eleven), and that the Secretary-General be authorized to apply these reductions to the manning table relating to the activities covered under Income section 4 having in mind the individual needs of the services concerned. The effect of the Committee's recommendation should be to reduce by about \$25,000 the expenses charged against Income section 4, with a consequential increase of \$25,000 in net revenue under the Section.

451. The Advisory Committee accordingly recommends an estimate for Income section 4 in the amount of \$2,711,950, as against \$2,686,950 proposed by the Secretary-General.

Increase recommended:

	\$
Income section 4. Revenue-producing activities	25,000

INDEX

(Except where otherwise indicated, references are to paragraph numbers)

A

- Ad Hoc* Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies 10, 32, 36, 38, 40-42, 47-51, 95-98, 120, 141, 316-319, 346
- Administrative Committee on Co-ordination 10, 43, 51, 111, 316-319
- Advisory Committee on Administrative and Budgetary Questions:
Composition and functions Foreword
Sessions and reports Foreword, 82
Relations with Committee for Programme and Co-ordination 74-82
- Advisory Committee on Science and Technology 137
- Appropriations resolution for 1968:
Draft resolution submitted by the Advisory Committee Chapter II, appendix I
Observations 123-124
- Armillary Sphere and pool, Geneva 240, 242, 244
- Assessments, budgetary 5, 29
- Assessments, non-member States 368, 426
- Auditors, Board of 44, 440

B

- Bond Issue 306, 313
- Bookshop, United Nations 438-440
- Budget estimates for 1968:
Additional requirements foreseen by the Secretary-General 22-23
Comparison with 1967 appropriations 1, 13-25
Draft resolution submitted by the Advisory Committee Chapter II, appendix I
Form of the budget 40-51
Nature and scope of the Advisory Committee's examination 9-12
Policy governing the 1968 estimates 31-39
Reduction recommended by the Advisory Committee 4, table in chapter II, page 18
- Budget resolution, draft 123-124, chapter II, appendix I
- Buildings and improvements to premises, Geneva 227, 228, 238-244
- Buildings and improvements to premises, Headquarters 227, 228, 230-237

C

- Cash holdings of the Organization 26
- Catering and related services 431-434, 444-445, 448
- Chalet de Montboven, Geneva 240, 242, 244
- Committee for Programme and Co-ordination 51, 74-82
- Common premises, services and facilities 260-265
- Common staff costs (Section 4) 200-209
- Communications, cost of 275, 278, 282, 283
- Computing Centre, International 179, 274, 284, 285, 290, 424
- Conferences and meetings 37, 130-143, 144-154, 211-212

- Conferences and meetings, UNCTAD 368-377
- Conferences and meetings, UNIDO 406
- Conferences, Committee on 37, 142
- Congo, United Nations Operation in Construction loan, Amortization of Headquarters 227-228
- Consultants and experts 193-196, 381
- Consultative Committee on Administrative Questions (CCAQ) 320
- Consultative Committee on Public Information (CCPI) 111
- Contributions, voluntary 6, 119-121
- Current assets and liabilities of the Organization 26-30
- Cyprus, United Nations Mediator and Force 7

D

- Delegates' cloak room at Headquarters 231
- Documentation 89-109

E

- Economic and Social Affairs, Department of, staff 167, 173, 179
- Economic and Social Council, meetings of functional commissions and sub-commissions 135-138
- Economic development, social development and public administration (Section 13) 325-338
- Elevators at Headquarters, automation of 257
- Equipment, permanent (Section 8) 247-254
- Established posts 83-88, 162-186, 378-380, 391-405, 449-450
- Extra-budgetary accounts, Funds provided from (Income section 2) 417-421

F

- Field Service, United Nations 46, 340
- Financial position of the United Nations 26-30

G

- General Assembly, Councils, Commissions and Committees:
Travel and other expenses of representatives and members (Section 1) 130-143
- General expenses (Section 10) 269-292
- General expenses, UNIDO 409
- General income (Income section 3) 422-430
- Gift Centre, United Nations 432, 433, 444-447, 449
- Grant-in-aid, Office of the High Commissioner for Refugees 347-350, 417, 419

H

- Headquarters construction loan, amortization of 227-228
- High Commissioner for Refugees, Office of the (Section 17) 344-358, 417, 419
- Home leave, travel on 219-222
- Hospitality (Section 6) 224-226; 370 (UNCTAD); 389, 406 (UNIDO)

Index

Host Governments, assistance from:	
Premises	260-263, 265
Conferences and meetings	368, 424
Human Rights advisory services (Section 14)	325-338
Human Rights, Commission on	15, 22, 60-64
Human Rights, Prizes	321-323

I

Income Section 1	413-416
Income Section 2	417-421
Income Section 3	422-430
Income Section 4	431-448
Income Sections, summary of	412, 449-451
Industrial development	329, 336-337
Information centres	260-261, 276
Internal reproduction facilities	95, 274, 290, 295, 301
International Civil Service Advisory Board	320
International Court of Justice (Section 18)	359-365
International Law, United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of	315
International Narcotics Control Board	138
International School:	
Geneva	311
New York	310

J

Joint Inspection Unit	316-319
Joint Staff Pension Fund	192, 417, 420, 429

K

Korea:	
United Nations Cemetery in	307-309
United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK)	341-342

L

Language training	208
Library	241, 275, 291

M

Maintenance, operation and rental of premises (Section 9)	255-268
---	---------

N

Narcotic Drugs, Commission on	107
Narcotic drugs control (Section 15)	325-338
Non-member States, contributions from	368, 426

O

Office and internal reproduction supplies	271-274, 290
Office of Personnel	177
Office of Public Information	See Public information activities
Official records	298, 302
Overtime and night differential	198

P

Palais des Nations, alterations, improvements and major maintenance	238-244, 263
Permanent equipment (Section 8) ..	247-254
Permanent equipment, UNIDO	408

Postal Administration, United Nations	431-437, 449
Premises, improvements to	229-246
Premises, maintenance, operation and rental of (Section 9)	255-268
Printing (Section 11)	293-305
Printing, UNIDO	410
Programmes and budget, reconciliation of	38
Programme and Co-ordination, Committee for	51, 74-82
Public information activities	110-118, 253, 286, 287, 300
Public information, policy of budgetary stabilization	115-118
Public information supplies and services	271, 286-288
Publications Board	98, 101-104, 298, 302, 376, 377, 440
Publications, recurrent	299, 301
Publications, sales of	431-434, 438-440, 449

R

Reclassifications	181, 182, 355, 358, 449-450
Records, summary	93, 373-377
Records, verbatim	93
Recruitment of staff	177
Refugees, Office of the United Nations High Commissioner for Refugees (Section 17)	344-358, 417, 419
Rental and maintenance of equipment	271-275, 279, 280, 284-285
Rental of premises	259-265
Rental, income from	423
Revenue-producing activities (Income section 4)	44, 431-451

S

Salaries and wages (Section 3)	155-199
Santiago, United Nations building in	257, 258, 259, 264, 278, 282, 428
Sound amplification and interpretation equipment, Headquarters	235
Souvenir Shop, Headquarters	432-434, 444-446, 449
Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples	339
Special expenses (Section 12)	306-324
Special meetings and conferences (Section 2)	144-154
Special missions and related activities (Section 16)	339-343
Special Training programmes for South West Africans, South Africans and territories under Portuguese administration	312
Specialized agencies, budgets of	5
Staff assessment	2, 368, 413-416
Staff, established posts	83-88, 162-186
Staff, revenue-producing activities ..	449-450
Staff, UNCTAD	378-380
Staff, UNIDO	391-405
Staff, growth of	83-88, 164-180, 367, 378, 379, 391-405, 449-450
Staff, local level	88, 178, 180
Staff training programmes	208
Staff, turnover factors	183-186, 207, 357, 365, 380
Subsidiary organs, authority of, to take decisions involving expenditures	52-73
Supplementary estimates, possible, for 1967	15-21

T		
Technical Assistance Committee (TAC)	331, 332, 333	
Technical Programmes (Part V)	325-338	
Television, radio and film distribution	253, 286, 287, 427	
Temporary assistance:		
For meetings	187-190	
Other	191-197	
International Court of Justice	362	
UNCTAD	377, 383	
Travel of representatives and members of commissions, committees and other subsidiary organs (Section 1)	130-143	
Travel of staff (Section 5)	210-223	
UNIDO	407	
UNCTAD	370, 379	
Travel standards	130, 210	
Triangular fellowship programme ..	113, 314	
Trust Funds	6	
U		
Unforeseen and extraordinary expenses:		
Draft resolution submitted by the Advisory Committee	Chapter II, appendix II	
Observations	54-73, 125-127	
Utilization during 1967	15	
United Nations Bond Issue	306, 313	
United Nations Commission for the Unification and Rehabilitation of Korea (UNCURK)	341-342	
United Nations Conference on Trade and Development (UNCTAD)	83, 87, 366-384	
United Nations Development Programme (UNDP)	260, 262, 326-338, 417, 418	
United Nations Emergency Force (UNEF)	8, 26, 29	
United Nations Industrial Development Organization (UNIDO)	83, 87, 263, 336-337, 385-411	
United Nations Institute for Training and Research (UNITAR)	114	
United Nations Military Observer Group in India and Pakistan (UNMOGIP)	341, 342	
United Nations Representative for India and Pakistan (UNRIP)	341, 342	
United Nations Truce Supervision Organization in Palestine (UNTSO)	341, 342	
V		
Vacancy situation	86, 87, 172-177	
UNIDO	396, 400	
Visitors service	431-434, 441-443, 449	
Voluntary Programmes, relationship with General Assembly	119-121	
Voting, mechanical means of	237	
W		
Wiring and listening devices at Headquarters, replacement of	234	
Working Capital Fund:		
Draft resolution submitted by the Advisory Committee	Chapter II, appendix III	
Observations	70, 71	