



**ADVISORY COMMITTEE ON ADMINISTRATIVE  
AND BUDGETARY QUESTIONS**

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**FIRST REPORT ON THE BUDGET ESTIMATES  
FOR  
THE FINANCIAL YEAR 1973**

**GENERAL ASSEMBLY**

OFFICIAL RECORDS: TWENTY-SEVENTH SESSION

SUPPLEMENT No. 8 (A/8708)

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**New York, 1972**

# **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.**

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NOTE BY THE CHAIRMAN

1. The members of the Committee are:

Mr. John I. M. Rhodes (Chairman);  
Mr. Mohamed Alwan;  
Mr. Albert F. Bender, Jr.;  
Mr. Paulo Lopes Corrêa;  
Mr. Mohsen S. Esfandiary;  
Mr. Hsing Sung-yi;  
Mr. Ahmed Tewfik Khalil;  
Mr. Mario Majoli;  
Mr. C. S. M. Mselle;  
Mr. A. Naudy;  
Mr. V. K. Palamarchuk;  
Mr. José Piñera;  
Mr. József Tardos.

2. We met in New York from 2 May to 3 July 1972, and examined the United Nations budget estimates for 1973 which are presented in conventional form.

3. We also considered the Secretary-General's proposals for changing the form of the budget in future years: we are submitting a separate report on that subject.

4. We have arranged to meet in Geneva between 30 August and 15 September to hold discussions with officials of the United Nations and representatives of the specialized agencies and other organizations situated in Europe.

5. The Secretary-General and his staff gave us every assistance during our session. We are grateful to them and particularly to those upon whom additional demands were made because of the recent changes at the highest levels in the administrative and budgetary field.

6. We are again indebted to our own staff for their untiring efforts on our behalf. If at times we seem to take their services for granted it is only because they have led us to expect those standards of excellence and dependability which we continue to enjoy.

3 July 1972

(Signed) John I. M. RHODES  
Chairman

## PREFACE

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

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

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

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

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

Under rule 158 of the rules of procedure of the General Assembly, 1/ the members of the Advisory Committee, no two of whom shall be the nationals of the same State, shall be selected on the basis of broad geographical representation, personal qualifications and experience.

As in the past, provision is made in certain sections of the estimates for 1973 for expenditures to which some Member States have objections in principle. Some members of the Committee have repeated those objections and stated their reasons therefor. At the same time the Committee considered that the controversy concerning such items does not fall within the province of the Advisory Committee which under rule 159 of the rules of procedure 2/ is "responsible for expert examination of the budget of the United Nations".

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1/ Former rule 157 (see resolution 2837 (XXVI), annex I, para. 9).

2/ Former rule 158.



## CHAPTER I

### THE BUDGET ESTIMATES FOR 1973

#### GENERAL

1. The Secretary-General's initial budget estimates for 1973 <sup>3/</sup> cover gross expenditures of \$224 150 100, as against the 1972 appropriations of \$213 124 410 approved by the General Assembly in resolution 2899 A (XXVI) of 22 December 1971. This represents an increase of \$11 025 690, or 5.17 per cent.
2. Income from all sources in 1973 is estimated by the Secretary-General at \$35 682 300, or \$239 350 less than the estimates of income totalling \$35 921 650 approved for 1972 in resolution 2899 B (XXVI). Hence, the net requirements in 1973, on which the assessments of Member States will be based, are expected by the Secretary-General to amount to \$188 467 800, or 6.36 per cent more than the net requirements for 1972 (\$177 202 760).
3. States Members of the United Nations will also be called upon to contribute in 1973 to the assessed budgets of the other organizations in the United Nations system to which they belong. The General Assembly, at its twenty-seventh session, will receive a report by the Advisory Committee dealing with the regular budgets of the specialized agencies and the IAEA. In that report the Committee will also show the size of the programmes associated with the United Nations that are financed from voluntary contributions.
4. In this report the Advisory Committee submits its observations and recommendations on the Secretary-General's initial budget estimates for 1973. The report is based on a detailed examination of the justifications for the proposed appropriations. In the process, the Committee received extensive oral and written information from the Secretary-General and his representatives, and examined administrative and operational practices affecting the estimates.
5. In chapter III below the Advisory Committee recommends reductions totalling \$4 558 900 in the expenditure estimates, and a reduction of \$60 000 in the estimates of income. The distribution of those reductions, on a section by section basis, is summarized in a table annexed to chapter II:

#### COMPARISON OF 1973 ESTIMATES WITH 1972 APPROPRIATIONS

6. Table 1 gives the comparative figures for the Secretary-General's initial estimates for 1973, the appropriation for 1972 and obligations for 1971. The figures for 1973 and 1972 may be affected by decisions to be taken by the General Assembly at its twenty-seventh session. <sup>4/</sup> Budget and programme performance in 1971 is discussed briefly in paragraphs 21 to 28 below.

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<sup>3/</sup> Official Records of the General Assembly, Twenty-seventh Session, Supplement No. 6 (A/8706).

<sup>4/</sup> See paragraphs 11 to 20 below.

Table 1. Comparison of 1973 initial estimates with appropriations for 1972 and obligations in 1971

Budget parts and sections	1973 estimates	1972 appropriations	1971 obligations	1973 increase or (decrease) by comparison with 1972
	\$	\$	\$	\$
<b>Part I. Sessions of the General Assembly, the councils, commissions and committees: special meetings and conferences</b>				
Section 1. Travel and other expenses of representatives, and members of commissions, committees and other subsidiary bodies . . . . .	1 507 700	1 449 900	1 333 230	57 800
Section 2. Special meetings and conferences . . . . .	1 252 100	2 846 600	3 278 292	(1 594 500)
TOTAL, Part I . . . . .	2 759 800	4 296 500	4 611 522	(1 536 700)
<b>Part II. Staff costs and related expenses</b>				
Section 3. Salaries and wages . . . . .	99 951 000	95 676 160	86 364 581	4 274 840
Section 4. Common staff costs . . . . .	23 185 200	21 857 100	19 730 769	1 328 100
Section 5. Travel of staff . . . . .	2 889 500	2 656 100	2 672 610	233 400
Section 6. Payments under annex I, paragraphs 2 and 5, of the Staff Regulations; hospitality . . . . .	159 000	159 000	139 928	-
TOTAL, Part II . . . . .	126 184 700	120 348 360	108 907 888	5 836 340
<b>Part III. Construction, alteration, improvement and major maintenance of premises</b>				
Section 7. Construction, alteration, improvement and major maintenance of premises . . . . .	14 875 400	9 614 000	8 972 325	5 261 400
TOTAL, Part III . . . . .	14 875 400	9 614 000	8 972 325	5 261 400
<b>Part IV. Equipment, supplies and services</b>				
Section 8. Permanent equipment . . . . .	998 200	1 413 300	905 191	(415 100)
Section 9. Maintenance, operation and rental of premises . . .	7 452 500	6 897 900	6 676 401	554 600
Section 10. General expenses . . . . .	6 297 200	6 037 000	6 375 536	260 200
Section 11. Printing . . . . .	3 232 500	3 039 700	3 132 773	192 800
TOTAL, Part IV . . . . .	17 980 400	17 387 900	17 089 901	592 500
<b>Part V. Technical programmes</b>				
Section 12. Regional and subregional advisory services . . . .	1 825 000	1 825 000		
Section 13. Economic development, social development and public administration; human rights advisory services; narcotic drugs control . . . . .	5 406 000	5 408 000	5 407 417	-
Section 14. Industrial development . . . . .	1 500 000	1 500 000	1 498 597	-
TOTAL, Part V . . . . .	8 733 000	8 733 000	6 906 014	-
<b>Part VI. United Nations Conference on Trade and Development</b>				
Section 15. United Nations Conference on Trade and Development.	12 500 200	12 362 900	10 322 755	137 300
TOTAL, Part VI . . . . .	12 500 200	12 362 900	10 322 755	137 300
<b>Part VII. United Nations Industrial Development Organization</b>				
Section 16. United Nations Industrial Development Organization.	14 574 600	14 332 100	12 310 620	242 500
TOTAL, Part VII . . . . .	14 574 600	14 332 100	12 310 620	242 500
<b>Part VIII. Special missions</b>				
Section 17. Special missions . . . . .	8 454 200	8 370 700	8 143 134	83 500
TOTAL, Part VIII . . . . .	8 454 200	8 370 700	8 143 134	83 500

Table 1. Comparison of 1973 initial estimates with appropriations for 1972 and obligations in 1971 (continued)

<u>Budget parts and sections</u>	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obligations</u>	<u>1973 increase or (decrease) by comparison with 1972</u>
	\$	\$	\$	\$
<u>Part IX. Office of the United Nations High Commissioner for Refugees</u>				
Section 18. Office of the United Nations High Commissioner for Refugees . . . . .	5 855 500	5 398 500	4 779 615	457 000
TOTAL, Part IX . . . . .	5 855 500	5 398 500	4 779 615	457 000
<u>Part X. International Court of Justice</u>				
Section 19. International Court of Justice . . . . .	1 716 900	1 706 150	1 495 998	10 750
TOTAL, Part X . . . . .	1 716 900	1 706 150	1 495 998	10 750
<u>Part XI. Special expenses</u>				
Section 20. Special expenses . . . . .	10 515 400	10 574 300	10 584 751	(58 900)
TOTAL, Part XI . . . . .	10 515 400	10 574 300	10 584 751	(58 900)
TOTAL . . . . .	224 150 100	213 124 410	194 124 523	11 025 690
Less: income other than staff assessment . . . . .	8 712 300	10 608 000	9 511 715	(1 895 700)
Income from staff assessment for credit to Member States through the Tax Equalization Fund . . . . .	26 970 000	25 313 650	22 814 264	1 656 350
NET EXPENDITURE LEVEL . . . . .	188 467 800	177 202 760	161 798 544	11 265 040



7. The over-all increase of \$11 million in the expenditure sections is attributed by the Secretary-General to additional requirements in an amount of \$17.2 million, partly offset by reductions of \$6.2 million. He states that the additional requirements include \$9.3 million for maintaining in 1973 the level of staff resources approved for 1972; \$5.5 million for construction projects; \$1.7 million for the effects of the realignment of currencies since December 1971, the higher cost of contractual services and other causes over which the Secretary-General has no control; and \$0.7 million for additions to programmes.

8. The reduction is largely attributable to two factors. One of them is a change of presentation, namely the removal from the budget as from 1 January 1973, of the expenditures (and related income from staff assessment and overhead reimbursement) on technical assistance projects executed for the UNDP by the United Nations (\$2.2 million). This presentational change, which is discussed in greater detail in paragraphs 32 to 34 below, does not affect the net level of the budget.

9. The other factor is lower requirements for conferences due to the fact that a number of special conferences (including the Third UNCTAD) held in 1972 will not recur in 1973 (\$2.9 million).

10. In a table annexed to his foreword the Secretary-General lists the major factors affecting the 1973 initial estimates, as compared with the 1972 appropriations. The main elements are:

		\$
(a)	Decrease due to removal from the budget of costs for implementing Technical Assistance projects for UNDP (sections 3, 4, 5, 15, 16) . . . . .	(2 228 700)
(b)	Higher air fares and subsistence rates (sections 1 and 5). . .	233 300
(c)	Net decrease in programme of meetings and conferences (sections 1-5 and 15) 5/ . . . . .	(2 273 800)
(d)	Higher salary rates for short-term staff (sections 2 and 3). .	321 900
(e)	Higher cost of maintaining in 1973 the established and provisional posts approved for 1972 (sections 3, 4 and 15-20) . . . . .	8 650 210
	Additional cost of providing on a full-year rather than a part-year basis certain long-term temporary assistance (section 3) . . . . .	414 100
	Higher overtime rates (section 3) . . . . .	189 700
		<u>9 254 010</u>
(f)	Cost in 1973 of proposed new posts and reclassifications (sections 3 and 4) . . . . .	252 260
(g)	Reduced requirements for consultants and <u>ad hoc</u> expert groups (section 3) . . . . .	(63 900)

5/ Including the third session of UNCTAD.

\$

(h)	Higher budgetary provisions for building projects in Geneva, Addis Ababa and Bangkok (section 7) . . . . .	5 475 000
(i)	Net decrease in requirements for alteration, improvement and major maintenance to buildings in New York, Geneva and Addis Ababa (section 7) . . . . .	(213 600)
(j)	Net decrease in requirements for permanent equipment, mainly for the Office of Public Information <u>6</u> / (section 8) . . . . .	(415 100)
(k)	Higher cost of contractual services (sections 9-11, 15, 16, 18-20). . . . .	1 175 100
(l)	Reduction in the contractual printing programme (section 11). .	(115 600)
(m)	Net decreases for various requirements of UNIDO (section 16). .	(114 500)
(n)	Decrease due to non-recurrence of certain special missions (section 17) . . . . .	(159 100)
(o)	Special expense items provided for in 1972 but not in 1973 (section 20) . . . . .	(215 000)

11. The comparison between the 1973 estimates and the 1972 appropriations will be affected by any

- (a) additional requirements for 1973;
- (b) adjustments to requirements for 1972.

12. In paragraph 42 of his foreword the Secretary-General indicates that it is conceivable that the total potential addition to the initial estimates might be of the order of \$2.8 million. That tentative amount includes the following items, some of which will be the subject of special reports to the General Assembly.

\$

(a)	Implementation of proposals by the United Nations Conference on the Human Environment . . . . .	1.5 million
(b)	Implementation of decisions taken by the Third United Nations Conference on Trade and Development. .	350 000 - 400 000
(c)	Financial implications of decisions of the Economic and Social Council at its fifty-second and fifty-third sessions . . . . .	30 000
(d)	United Nations contribution to a United Nations Staff College . . . . .	150 000

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6/ See paragraphs 12 (e) and 8-3 below.

- |     |   |         |
|-----|---|---------|
| (e) | Acquisition of equipment for the Office of Public Information <u>7/</u> . . . . .                       | 330 000 |
| (f) | Margin for the financial implications of other decisions which may be taken by the General Assembly . . | 420 000 |

Some of these potential additions are still highly conjectural.

13. The potential adjustments to the requirements for 1972 and the impact of the economy measures introduced by the Secretary-General are discussed in paragraphs 14-20 below.

#### POTENTIAL ADJUSTMENTS TO REQUIREMENTS IN 1972

14. The Advisory Committee discussed with the Secretary-General and his representatives his policy of administering the appropriations approved for 1972. The Committee was informed that that policy involved a containment of expenditures designed to arrest the deteriorating financial situation of the Organization and to improve the prospects of a favourable response by the membership as a whole to the various proposals for restoring the solvency of the Organization. The Committee was also informed that the restrictive measures were evenly spread to avoid serious detriment to individual activities.

15. As the Secretary-General states in paragraphs 11 to 13 of his foreword his objective early in the year was to achieve an unexpended balance by the end of 1972 of at least \$4 million to offset the expected short-fall in the payment of assessed contributions attributable to withholdings and the fact that some contributions are offered in currencies which, in the past, could be utilized to a limited extent only. The Secretary-General also sought to establish an initial reserve of at least \$2 million (over and above the \$4 million referred to in the preceding sentence) to meet certain requirements for which no provision could be made in the appropriations, including those resulting from the realignment of currencies subsequent to 10 December 1971.

16. To achieve that objective the Secretary-General instituted the following economy measures:

- (i) a six-months suspension of appointments to posts in the professional and higher categories, subsequently extended for a further two months to the end of September; exceptions are permitted where the filling of a vacancy is considered essential to the proper functioning of the Secretariat;
- (ii) additional controls on the travel of staff to meetings and on other official business;
- (iii) a reduction in the number of telephone lines and instruments at Headquarters, New York;

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7/ See para. 8-3 below.

- (iv) the allotment of funds for technical assistance under part V of the budget only to the extent that use can be made of the currencies in which Member States pay their contributions towards this part;
- (v) strengthened controls over the authorization of overtime and employment of experts and consultants.

17. In his mid-year review of the budget performance in 1972 the Secretary-General indicated that the reserve of some \$2 million referred to in paragraph 15 above had already been committed. Requirements for which no provision had been made in the appropriations for 1972 seemed likely to be somewhat more than \$2 million. The main factors were changes in exchange rates which occurred after December 1971 (\$453 000), higher costs for contractual services and utilities (\$788 000), changes in post classifications and General Service salary scales (\$685 000, due partly to the exchange rate changes mentioned above), and a number of extra requirements for political missions (\$427 000).

18. After taking account of these unforeseen requirements and allowing for certain offsetting savings the Secretary-General projected total gross expenditure of about \$209.3 million, which is about \$3.8 million less than the appropriations authorized under General Assembly resolution 2899 A (XXVI). Against this unspent balance it seemed likely that the short-fall due to the withholding of contributions and the inability to use contributions in certain currencies would not exceed \$3.6 million - that is \$0.4 million less than the Secretary-General had earlier expected (see paragraph 15 above). This would leave a margin of less than \$250 000 to deal with possible additional requirements in 1972 which could not be foreseen at mid-year.

19. The Secretary-General informed the Advisory Committee that he did not consider the above margin wholly sufficient to provide for unforeseeable developments in the second half of 1972. He was therefore considering whether further measures should be taken to ensure that he would achieve his objective of not increasing the accumulated budget deficit.

20. According to the mid-year estimate, income for 1972 was likely to fall short of the approved estimate by about \$300 000. The Secretary-General expected that income under Income sections 1 (Income from staff assessment) and 3 (General income) would be about \$500 000 and \$100 000 respectively below the approved estimates, while income under Income section 4 (Revenue-producing activities) would exceed the estimate by about \$290 000.

#### BUDGET AND PROGRAMME PERFORMANCE FOR THE FINANCIAL YEAR 1971

21. In resolution 2882 (XXVI) of 21 December 1971 the General Assembly approved a revised expenditure budget of \$194 627 800 and revised income estimates of \$22.3 million for income from staff assessment and \$9 955 500 for other income. In his report on budget performance for 1971 (A/8748) the Secretary-General indicates that actual expenditures and obligations amounted to \$194 124 523, or \$503 277 less than the appropriations. Income from staff assessment, at \$22 814 264, exceeded the approved estimate by \$514 264, but other income was \$443 785 less than had been estimated and amounted to \$9 511 715. Accordingly a total net amount of \$573 756 will be available for credit to Member States against their assessed contributions for 1973.

22. Surpluses occurred in 12 expenditure sections, the largest ones being under section 2, Special meetings and conferences (\$266 808), section 3, Salaries and wages (\$260 419) and section 16, United Nations Industrial Development Organization (\$197 880). Five sections showed deficits, totalling \$509 195 (including \$390 636 in section 10, General expenses). The Advisory Committee has concurred in the necessary year-end transfers, which are reflected in the accounts for the financial year 1971.

23. Work programme performance in the economic, social and human rights fields for the financial year 1971 is detailed by the Secretary-General in a separate report submitted to CPC (E/AC.51/62 and Corr.1 and 2, Add.1-5 and annex). In paragraph 2 of the preface, the Secretary-General acknowledges that the report does not fully meet the requirements of Economic and Social Council resolution 1644 (LI); at the same time, the Secretary-General has attempted to improve on previous performance reports, in particular by providing, whenever possible, an analysis of the major impediments, administrative or other, to the implementation of the approved programmes. The Advisory Committee noted that there are still considerable variations in the format of submissions by individual divisions. The Committee trusts that such variations will be eliminated as the Secretary-General moves towards meeting the requirements of resolution 1644 (LI).

24. In the report by the Secretary-General, programme performance is expressed primarily in terms of man-months worked, rather than in projects and activities delivered; thus the main emphasis is still on inputs and not on outputs. The document shows that in about two thirds of the fields of activity the resources used fell below those authorized. In some divisions (notably the Centre for Development Planning, Projection and Policies) the margin of authorized but unutilized resources in terms of professional man-months was quite substantial. In only one area (the Centre for Housing, Building and Planning) did the man-months worked exceed what had been programmed on the basis of authorized resources, the difference being provided for through the redeployment of resources.

25. The report by the Secretary-General makes it clear that the main reason why authorized resources were not fully used was recruitment difficulties and delays, which could only partly be offset by temporarily filling authorized posts with short-term appointees, even though that practice was resorted to more frequently in 1971 than had been done in 1970. In the latter year short-term staff charged against vacant posts totalled approximately 20 man-years: in 1971 that total rose to nearly 24 man-years, nearly one third of it in the Centre for Development Planning, Projections and Policies. Recruitment difficulties and delays occurred in the Centre for Development Planning, Projections and Policies (particularly at the more senior levels, including research economists - although there was some improvement over 1970), the Social Development Division, the Population Division, the Statistical Office, the Economic Commission for Europe, the Economic Commission for Asia and the Far East, and the Division of Human Rights (for temporary staff). In some areas the delays in filling vacant posts resulted from the Secretary-General's decision not to fill posts ahead of the survey of the Department of Economic and Social Affairs by the Administrative Management Service.

26. In the introduction to the report on the Department of Economic and Social Affairs, the Secretary-General says that the work programme performance in 1971 was adversely affected by the increasing variety and number of budget and

programme documents, progress reports, replies to inquiries by inspection and co-ordinating units, and other management-related reports to the various governing bodies which were required from substantive divisions and which became more burdensome every year. The Secretary-General expressed the hope that the situation might be alleviated by the introduction of an integrated information system. 8/ The Advisory Committee looks forward to progress in this field.

27. In one area - the Statistical Office - under-performance is attributed in part to the transfer of certain electronic data processing activities to the ICC, Geneva and to the inadequacy of systems analysis and programming services in New York. 9/ The table on page 61 of document E/AC.51/62 makes it clear, however, that the resources authorized for the Statistical Office were under-utilized to the extent of approximately six professional man-years; in the circumstances it would seem that inadequate planning of the transfer of activities to ICC, Geneva and administrative shortcomings, rather than lack of approved resources, were the main causes behind under-performance by the Office in 1971.

28. The only area where the Secretary-General ascribes delays in the completion of projects in 1971 to failure by the General Assembly to approve additional resources is preparatory work for the 1974 World Population Conference. 10/ Here again, however, resources authorized under the regular budget for the Population Division were under-utilized to the extent of 29 man-months of professional and consultancy services. 11/

#### 1973 ESTIMATES - GENERAL BUDGETARY CONSIDERATIONS

29. In his foreword the Secretary-General explains that the initial estimates for 1973 reflect the continuation of the policy of restraint introduced in 1972 (see paragraph 14 above). He indicates that this restraint is still necessary because of the continuing financial difficulties of the Organization. However, his policy of containment - and even retrenchment in certain instances - is not intended to rule out new programmes or activities, which can still be undertaken by using capacity released as a result of the completion of other tasks, or the assignment of a lower order of priority to certain continuing activities.

30. A policy of moderation and containment can be sustained only to the extent that it is supported by the Member States. In paragraph 17 of his foreword the Secretary-General indicates that he has sought to enlist that support by explaining his objectives in messages addressed to the participants in meetings of the main and subsidiary organs in 1972, and by sending a formal communication to the Governments of Member States, providing an outline of his initial budget estimates for 1973 and inviting them, in taking further decisions in 1972, to help him keep final requirements for 1973 within manageable limits.

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8/ E/AC.51/62, p. 9, para. 7.

9/ Ibid., para. 6, and pp. 56-61.

10/ Ibid., p. 8, para. 4, and pp. 43-46.

11/ Ibid., p. 47.

31. The Advisory Committee commends the steps taken by the Secretary-General to improve the efficiency of the Secretariat. The Committee had this point foremost in its mind when it considered the initial estimates for 1973. It found that despite the conservative nature of those estimates, certain reductions should be within the Secretary-General's reach. They are explained in detail in Chapter III below. Three areas call for further comment:

(a) Under section 7 the Committee recommends that, because of delays in the construction of United Nations premises at Addis Ababa, Bangkok and Santiago, requirements in 1973 can be reduced by \$1.9 million. This reduction is not a true saving, but a recognition of the situation on the sites which will cause the deferment of outlays until a subsequent budgetary period;

(b) Under section 3, and to a less extent under sections 15 and 16, the Committee recommends reductions because of the probability that the temporary suspension of recruitment will lead to a larger-than-normal number of vacancies at the beginning of 1973. Hence, the 5 per cent deduction for delayed recruitment applied by the Secretary-General to the cost of established and provisional posts is likely to be exceeded. The 1973 staffing requirements are considered in greater detail in paragraphs 32 to 41 below;

(c) In its examination of the estimates for travel of staff, the Committee discussed with the representatives of the Secretary-General the extent to which staff make use of the provision for up to 10 kilogrammes excess baggage to which they are entitled when they travel by air in economy class. The Committee was informed that a large number of the entitlements are not exercised, or are only partly exercised; consequently the cost of journeys is often less than what was budgeted for. The Committee believes that such potential savings should be taken into account in the estimates if the latter are to represent a true picture of the expenditure envisaged. The Committee was unable to determine with precision the amount of such savings under the regular budget in an average year; it believes, however, that they amount to well in excess of \$100 000. Accordingly, in its detailed recommendations on the budget estimates the Committee has proposed that a reduction of \$100 000 be applied to section 5 to reflect the non-utilization of credits for excess baggage; and the Committee has taken this factor into account when determining the reductions which it considers should be made in requirements for staff travel in other sections of the budget.

### 1973 STAFFING REQUIREMENTS

32. The main difference between the over-all staffing requirements under the initial estimates for 1973 and the manning table as approved for 1972 reflects the change which the Secretary-General proposes to introduce in 1973 in the method of budgeting the costs of staff and associated expenditures which the United Nations incurs for executing Technical Assistance projects of UNDP. That change is explained in paragraphs 3.10 to 3.14 of the estimates, which relate to section 3 (Salaries and wages), the section mainly affected. The costs concerned have in the past been charged to the regular budget and then offset by the related income from staff assessment (Income section 1), and the reimbursement from UNDP for the services performed, which has been credited to Income section 2. Now that UNDP has merged its Technical Assistance and Special Fund components into a combined programme the Secretary-General proposes to treat the cost of

carrying out Technical Assistance projects in the same way as costs relating to Special Fund projects have been dealt with in the past: that is by charging them to a separate trust fund outside the United Nations regular budget. Although such a change affects the gross budget of the United Nations it does not affect the net figure, since the same amount is subtracted from both the expenditure sections and the income sections. For 1973 that amount is \$2 228 700, broken down as follows:

	\$
Section 3. Salaries and wages . . . . .	1 330 900
Section 4. Common staff costs . . . . .	292 000
Section 5. Travel of staff . . . . .	32 000
Section 15. UNCTAD . . . . .	100 800
Section 16. UNIDO . . . . .	473 000
Total . . . . .	<u>2 228 700</u>

33. The number of posts affected by the change is 123, comprising 60 at the professional level and 63 at the General Service level. Their distribution by budget section is as follows:

<u>Section</u>	<u>Number of posts</u>		
	<u>Professional</u>	<u>General Service</u>	<u>Total</u>
3. Salaries and wages . . . . .	43	49	92
15. UNCTAD . . . . .	2	3	5
16. UNIDO . . . . .	15	11	26
Totals . . . . .	<u>60</u>	<u>63</u>	<u>123</u>

34. The above change is presentational rather than substantive, and in the Advisory Committee's view it constitutes a reasonable method of dealing in budgetary terms with the revised procedures adopted by UNDP. However, as the Committee has pointed out elsewhere in this report, the effect of removing credits for implementing UNDP Technical Assistance projects must be taken into account in any direct comparison of the 1973 estimates with the appropriations for 1972.

35. In paragraph 16 of his foreword to the budget estimates the Secretary-General indicates that following the completion of the current round of manpower surveys he intends to give close and continuing scrutiny to ways to ensure economy and effectiveness in the staffing of the Secretariat. Noting that his



proposals on the form of the budget are intended partly to make it easier to determine the support required for each of the Organization's activities, he adds that in the meantime the most effective evidence that the Secretariat could give of moderation and good husbandry would be to refrain, for the time being, from seeking extra staff.

36. That approach is largely borne out in the detailed budget estimates. Leaving aside the changes described in paragraphs 32 to 34 above related to the 123 posts which will henceforth be charged to a special account financed by UNDP, the net effect of the Secretary-General's staff proposals for 1973 would be to add three posts at the Professional and higher levels and 10 at the General Service level. The changes proposed are as set out below:

<u>Section</u>	<u>Professional and above</u>	<u>General Service</u>	<u>Other</u>	<u>Total</u>
3. Salaries and wages . . . . .	5 <sup>a/</sup>	9 <sup>a/</sup> (2) <sup>c/</sup> (1) <sup>b/</sup>	1 <sup>b/</sup>	
	<u>5</u>	<u>6</u>	<u>1</u>	<u>12</u>
15. UNCTAD . . . . .	1 <sup>d/</sup>	(1) <sup>d/</sup> 6		
	<u>1</u>	<u>5</u>	<u>-</u>	<u>6</u>
17. Special missions . . . . .	-	-	(1)	(1)
18. Office of the UNHCR . . . . .	(3)	(3)	-	(6)
Income section 3 (General income) .	(1) <sup>e/</sup>	(2)		(3)
Income section 4 (Revenue-producing activities) . . . . .	1 <sup>e/</sup>	4 <sup>f/</sup>	-	5
Totals . . . . .	<u>3</u>	<u>10</u>	<u>-</u>	<u>13</u>

<sup>a/</sup> Takes into account one reclassification from the General Service to the Professional level.

<sup>b/</sup> One General Service post converted to a manual worker post (chauffeur).

<sup>c/</sup> Two posts of security guards transferred to Income section 4, as a charge against the revenue from garage operations.

<sup>d/</sup> Reclassification from the General Service to the Professional category.

<sup>e/</sup> Reflects the transfer of the garage operation at Headquarters from Income section 3 to Income section 4.

<sup>f/</sup> See foot-notes <sup>c/</sup> and <sup>e/</sup>.

37. The six new General Service posts listed above under section 15 do not in fact constitute a net addition to staff resources as they were previously financed from temporary assistance credits. In the case of section 18 the reduction of six posts results from the undertaking to put them in escrow during 1973 so as to limit the increase in the estimate for the High Commissioner's office.

38. It should be borne in mind that additional staff resources can also be provided for by way of temporary assistance credits. This occurs in section 3 (Salaries and wages), where the Secretary-General has requested additional temporary assistance to provide for a number of new tasks, including a large lump-sum amount to maintain and operate the new administrative building at the Palais des Nations. To a lesser extent increases in the volume of temporary assistance, expressed in real terms are also sought under sections 15 (UNCTAD) and 16 (UNIDO).

39. Pending the possible submission later in 1972 of revised estimates for some Secretariat units in the wake of man over surveys conducted by the Administrative Management Service (see below) the Secretary-General has maintained for 1973 the 123 provisional posts (29 Professional, 86 General Service, 8 manual) which were approved for the current year under chapter V of section 3. The 14 provisional posts in the Office of the High Commissioner for Refugees have been converted to established posts following the survey of the Office. 12/

40. Forty-eight upward reclassifications are requested, including 38 within the Professional and higher categories and two from the General Service to the Professional level. Twenty-seven of the proposed reclassifications are in units financed under section 3, while 19 are in the Office of the High Commissioner for Refugees (section 18) and the other two in UNCTAD (section 15). In addition seven reclassifications within the Professional level are requested for the UNCTAD/GATT International Trade Centre, which is financed jointly by the United Nations and GATT.

41. After removing from the establishment the 123 posts referred to in paragraph 33 above, the global Secretariat establishment proposed by the Secretary-General for 1973 (including provisional posts) would number 8 817 posts, comprising 3 194 at the Professional and higher levels, 3 889 at the General Service level, and 1 734 other posts. The approved establishment for 1972 numbered 8 927 posts, comprising 3 251 at the Professional and higher levels, 3 942 General Service and 1 734 others.

#### ADMINISTRATIVE MANAGEMENT SERVICE

42. In conjunction with its examination of the Secretary-General's initial estimates for 1973 the Advisory Committee reviewed with the Acting Director of the Administrative Management Service the progress made by the Service in surveying the manpower utilization of the Secretariat, with particular reference

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12/ See however para. 37 above.

to developments since October 1971. Developments prior to that date were described in the progress report submitted by the Secretary-General to the General Assembly at its twenty-sixth session (A/C.5/1385 and Corr.1 and 2), the Advisory Committee's related observations were issued as document A/8408/Add.14.

43. In its first report on the budget estimates for the financial year 1972, the Advisory Committee indicated that it had been informed that the survey by the Administrative Management Service was to have been completed by April 1972. 13/ By the autumn of 1971 it became apparent that there would be a slippage of two or three months compared with the earlier forecast. 14/ Additional delays since October 1971 now make it unlikely that the survey can be completed before the end of 1972, i.e. eight months later than had been expected a year ago.

44. These delays have had an impact on the initial estimates for 1973. In his progress report submitted at the twenty-sixth session of the General Assembly, the Secretary-General indicated that he expected that those estimates would reflect his conclusions on the AMS surveys of the following organizational units: 15/

The Offices of the Under-Secretaries-General for Special Political Affairs  
(including the Division of Human Rights);

The Office of the Controller;

The Office of Personnel;

The Administrative Management Service;

The Office of General Services;

The Library;

The Office of the United Nations High Commissioner for Refugees;

The Executive Office of the Secretary-General;

The Department of Political and Security Council Affairs.

In actual fact, this has been done only for the Office of the United Nations High Commissioner for Refugees and the Protocol and Liaison Section in the Executive Office of the Secretary-General. Decisions on the surveys of certain other units may be reflected in revised estimates to be submitted to the General Assembly at its twenty-seventh session, but it is already clear that others cannot be acted upon before the initial estimates for 1974.

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13/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), table 2.

14/ A/C.5/1385, annex II; A/8408/Add.14, para. 3.

15/ In the order listed in A/C.5/1385, annex I.

45. These delays have been due in part to events over which AMS has no control, including the appointment of a new Secretary-General, the reorganization of the political departments of the Secretariat initiated by him, and the appointment of a new Under-Secretary-General for Administration and Management.

46. The Advisory Committee hopes that the pace of the survey will be accelerated during the latter half of 1972 and, what is equally important, expeditious action will be taken on AMS reports when they are completed. In this connexion the Committee would emphasize that the full benefits of the AMS will accrue only if the service is used by and commands the confidence of the administration as a whole.

47. In two areas - the Department of Economic and Social Affairs and the field establishment of the Office of Public Information - the General Assembly, upon the recommendation of the Advisory Committee 16/ deferred to its twenty-seventh session its decision on the Secretary-General's proposals arising out of surveys by AMS.

48. In a preliminary report to the General Assembly at its twenty-seventh session, the Secretary-General indicates that he proposes to submit his recommendations on the restructuring of the Department of Economic and Social Affairs in time for consideration by the various bodies concerned during 1973 (A/C.5/1430). The Advisory Committee understands that certain recommendations of an administrative nature, which are not related to the restructuring of ESA, are already being implemented. In this connexion the Committee was informed that AMS was participating in five task forces studying various aspects of the internal administration and management of ESA.

49. Despite the delays referred to in paragraphs 43 to 45 above, AMS has nearly finished the over-all manpower utilization survey of the Secretariat. The Advisory Committee trusts that the Secretary-General will be able to indicate to the General Assembly at its twenty-seventh session his views on the future role of AMS.

#### CONSOLIDATION OF PREMISES AND SERVICES AT OVERSEAS OFFICES

50. The Secretary-General has reported to the Advisory Committee on the progress towards the consolidation of premises and services at overseas offices that has occurred since his previous submission in June 1971. 17/

51. During the year under review, the number of information offices and centres increased to 52 upon the opening of an office situated in the premises of UNIDO in Vienna. Four offices are located at the headquarters of the regional economic commissions, and 47 are separate Information Centres. Evidence of continued support by the Governments of the host countries is provided by the fact that they

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16/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 A (A/8408/Add.1-30), document A/8408/Add.13, para. 11, and document A/8408/Add.27, para. 12.

17/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), paras. 55-59.

pay all the rental expenses of 37 centres (as against 36 a year ago), and part of the rental of one centre. <sup>18/</sup> The number of countries where the host Governments provide no direct assistance to Information Centres remains at nine. Of the 47 centres 28 are in shared premises and 19 in separate premises.

52. The number of UNDP field offices increased from 103 to 108; 82 of them are housed in shared premises (an increase of 9 over the previous year) and 26 in separate premises (a decrease of 4). Of the 108 offices host Governments pay the full rental costs of 72, and part of the costs for 16 others; in the case of 19 offices there is no host Government contribution, and one office is in the Palais des Nations, Geneva.

53. Of the 35 UNICEF field offices (an increase of one over 1971) 12 are in shared premises and 23 in separate premises. The host government contributes part of the rental costs of the new centre; there were no changes in the arrangements for the remaining 34 offices.

54. The Secretary-General reports that promising developments are taking place towards the satisfactory solution of office accommodation problems at Ankara, Beirut, Brasilia, Djakarta and Katmandu.

55. Thus, the over-all trend towards the sharing of premises and services continued during the period under review. The Advisory Committee welcomes that trend which is attributable in large measure to the efforts of the UNDP Resident Representatives.

#### CO-OPERATION WITH OTHER UNITED NATIONS BODIES

56. The annual meeting between the Advisory Committee and the Joint Inspection Unit will take place in Geneva in September. In the meantime liaison has been maintained by informal discussions between the Chairman and individual members of the two bodies.

57. The Advisory Committee met with the Board of Auditors to discuss the audit reports on the United Nations accounts for 1971. A separate report will be submitted on that subject.

58. The Committee also met with the Administrator of the United Nations Development Programme and submitted a report on the administrative and programme support budget estimates for 1973 for consideration by the Governing Council (A/8648).

59. The Chairman of the Advisory Committee attended the spring meeting of the Administrative Committee on Co-ordination. The Advisory Committee will discuss some of the budgets of the specialized agencies and other matters concerning the common system when it reconvenes in Geneva.

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<sup>18/</sup> The cash contribution by the host Government to the Rio de Janeiro Centre was increased and now covers the full rental costs.

60. The Advisory Committee's report on general co-ordination matters (A/8490), submitted to the General Assembly at its twenty-sixth session, was discussed at some length by the Committee for Programme and Co-ordination. The Advisory Committee in turn benefited from the report of CPC on programme and budget presentation 19/ and, in its own report on the same subject (A/8739) has taken account of the views expressed by that Committee.

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19/ E/5186, paras. 45-50.

## CHAPTER II

### DRAFT RESOLUTIONS

61. In his initial estimates for 1973 the Secretary-General submits draft resolutions on the budget for the financial year 1973, on unforeseen and extraordinary expenses, and on the working capital fund.

#### Draft budget resolution

62. The reductions recommended by the Advisory Committee in chapter III of this report, if accepted by the General Assembly, will affect the amounts indicated in the draft resolution submitted by the Secretary-General. Further changes will have to be made in the light of decisions to be taken by the General Assembly at its twenty-seventh session. In the circumstances the Advisory Committee concluded - as it did last year - that it would be premature to submit a draft resolution at this time.

63. To help the General Assembly consider the budget estimates for 1973, the Advisory Committee gives hereunder a table showing by section the initial estimates submitted by the Secretary-General and its recommendations thereon. A comparison between the former and the appropriations for 1972 and obligations in 1971 is to be found in table 1.

Table 2

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

Expenditure estimates

		<u>Secretary- General's budget estimates for 1973</u>	<u>Advisory Committee's recommen- dations</u>	<u>Decrease</u>
		\$	\$	\$
<u>Part I.</u>	<u>Sessions of the General Assembly, the councils, commissions and committees; special meetings and conferences</u>			
<u>Section</u>				
1.	Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies . . . .	1 507 700	1 447 700	60 000
2.	Special meetings and conferences . . . . .	1 252 100	1 091 100	161 000
<u>Part II.</u>	<u>Staff costs and related expenses</u>			
<u>Section</u>				
3.	Salaries and wages . . . . .	99 951 000	99 113 500	837 500
4.	Common staff costs . . . . .	23 185 200	22 807 200	378 000
5.	Travel of staff . . . . .	2 889 500	2 639 500	250 000
6.	Payments under annex I, paragraphs 2 and 5, of the Staff Regulations; hospitality . . .	159 000	150 000	9 000
<u>Part III.</u>	<u>Construction, alteration, improvement and major maintenance of premises</u>			
<u>Section</u>				
7.	Construction, alteration, improvement and major maintenance of premises . . . .	14 875 400	12 965 400	1 910 000



Table 2 (continued)

		<u>Secretary- General's budget estimates for 1973</u>	<u>Advisory Committee's recommen- dations</u>	<u>Decrease</u>
		\$	\$	\$
<u>Part IV.</u>	<u>Equipment, supplies and services</u>			
<u>Section</u>				
8.	Permanent equipment . . . . .	998 200	922 800	75 400
9.	Maintenance, operation and rental of premises . . . . .	7 452 500	7 217 500	235 000
10.	General expenses . . . . .	6 297 200	6 200 000	97 200
11.	Printing . . . . .	3 232 500	3 062 800	169 700
<u>Part V.</u>	<u>Technical programmes</u>			
<u>Section</u>				
12.	Regional and subregional advisory services . . . . .	1 825 000	1 825 000	-
13.	Economic development, social development, public administration, human rights advisory services and narcotic drugs control . . . . .	5 408 000	5 408 000	-
14.	Industrial development . . . . .	1 500 000	1 500 000	-
<u>Part VI.</u>	<u>United Nations Conference on Trade and Development</u>			
<u>Section</u>				
15.	United Nations Conference on Trade and Development . . . . .	12 500 200	12 372 200	128 000
<u>Part VII.</u>	<u>United Nations Industrial Development Organization</u>			
<u>Section</u>				
16.	United Nations Industrial Development Organization . . . . .	14 574 600	14 402 600	172 000

Table 2 (continued)

		<u>Secretary- General's budget estimates for 1973</u>	<u>Advisory Committee's recommen- dations</u>	<u>Decrease</u>
		\$	\$	\$
<u>Part VIII. Special missions</u>				
<u>Section</u>				
17.	Special missions . . . . .	8 454 200	8 400 000	54 200
<u>Part IX. Office of the United Nations High Commissioner for Refugees</u>				
<u>Section</u>				
18.	Office of the United Nations High Commissioner for Refugees .	5 855 500	5 848 500	7 000
<u>Part X. International Court of Justice</u>				
<u>Section</u>				
19.	International Court of Justice .	1 716 900	1 712 000	4 900
<u>Part XI. Special expenses</u>				
<u>Section</u>				
20.	Special expenses . . . . .	10 515 400	10 505 400	10 000

Recapitulation:

Secretary-General's estimates . . . . .	\$224 150 100
Reduction recommended by the Advisory Committee . .	4 558 900
Initial estimates recommended by the Advisory Committee . . . . .	\$219 591 200

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

Income estimates

		<u>Secretary- General's budget estimates for 1973</u>	<u>Advisory Committee's recommen- dations</u>	<u>Increase or (decrease)</u>
		\$	\$	\$
<u>Part I.</u>	<u>Income from staff assessment</u>			
<u>Income Section</u>				
1.	Income from staff assessment . .	26 970 000	26 810 000	(160 000)
<u>Part II.</u>	<u>Other income</u>			
<u>Income Section</u>				
2.	Funds provided from extra- budgetary accounts . . . . .	747 000	747 000	-
3.	General income . . . . .	4 964 000	5 044 000	80 000
4.	Revenue-producing activities . .	3 001 300	3 021 300	20 000

Recapitulation:

Secretary-General's estimates . . . . .	\$35 682 300
Reduction recommended by the Advisory Committee . . .	\$ 60 000
Initial estimate recommended by the Advisory Committee . . . . .	\$35 622 300

Draft resolution on unforeseen and extraordinary expenses

64. The draft resolution submitted by the Secretary-General is identical with General Assembly resolution 2900 (XXVI) of 22 December 1971 on unforeseen and extraordinary expenses for the financial year 1972, except for the text of operative paragraph 1 (b) on the expenses of the International Court of Justice.

65. In paragraph 1 (b) (i) the Secretary-General proposes that the total for the designation of ad hoc judges under the Statute of the Court, Article 31, be set at \$40 000, as against \$37 500 specified in resolution 2900 (XXVI). The Advisory Committee has no objection to the proposal which reflects the increase in the emoluments of the members of the Court approved by the General Assembly in resolution 2890 B (XXVI) of 22 December 1971.

66. Similarly, the Advisory Committee agrees that it is appropriate to include in the draft resolution operative paragraph 1 (b) (iii) and 1 (b) (v) inasmuch as the Security Council and the General Assembly at its twenty-seventh session will hold elections to the Court. The Advisory Committee recalled that similar provisions were included in such circumstances in previous resolutions on unforeseen and extraordinary expenses.

67. By contrast, operative paragraphs 1 (b) (vi) and (vii) are new. The Committee is aware that the Board of Auditors expressed the view that the inclusion of these two additional items was reasonable in the light of experience. The Committee does not consider, however, that the nature of the potential additional requirements (extra temporary assistance and printing costs) justifies the insertion of special provisions in the draft resolution on unforeseen and extraordinary expenses and it recommends that these two subparagraphs be deleted. Instead, the Committee recommends that if the calendar of the Court in 1973 so warrants the Secretary-General review the budgetary requirements under section 19 and, if necessary, submit revised estimates during the twenty-seventh session of the General Assembly if he is satisfied that the extra costs cannot be absorbed.

Draft resolution on the Working Capital Fund

68. The draft resolution as submitted by the Secretary-General differs in one respect only from General Assembly resolution 2901 (XXVI) on the Working Capital Fund for the financial year 1972, namely, that in operative paragraph 5 (c) the limit on advances to the revolving fund to finance miscellaneous self-liquidating purchases and activities is increased from \$150 000 to \$500 000. The reasons for the proposed increase are set out by the Secretary-General in his explanatory note on the draft resolutions. The Advisory Committee concurs in the proposal which recognizes a long-standing situation.

### CHAPTER III

#### 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 . . . . .	1 507 700
Estimate recommended by the Advisory Committee . . . . .	1 447 700
1972 (Appropriation) . . . . .	1 449 900
1971 (Obligations) . . . . .	1 333 230

1-1 Section 1 provides for travel and, as appropriate, subsistence and/or honoraria relating to the programme of meetings of the General Assembly, the Security Council, the Economic and Social Council and the Trusteeship Council and their subsidiary bodies scheduled for 1973.

1-2 In accordance with decisions of the General Assembly <sup>20/</sup> reimbursement of travel expenses to members of United Nations organs is limited to the cost of economy-class accommodation by air, or its equivalent, except that one representative of each Member State attending sessions of the General Assembly, and all persons serving in their individual capacities, are reimbursed for actual expenses up to the cost of first-class accommodation by air, or its equivalent, via a direct route.

1-3 In table 3 below the 1973 estimates are compared, chapter by chapter, with the appropriations for 1972 and obligations in 1971.

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<sup>20/</sup> 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; resolutions 2489 (XXIII) and 2491 (XXIII) of 21 December 1968.

Table 3. Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropriations</u>	<u>1971 obligations</u>	<u>Increases 1973 over 1972</u>
	\$	\$	\$	\$
I. The General Assembly, commissions and committees	1 109 300	1 080 900	1 032 649	28 400
II. The Security Council, commissions and committees	-	-	-	-
III. The Economic and Social Council, commissions and committees . . . . .	367 400	338 000	255 652	29 400
IV. The Trusteeship Council, commissions and committees	31 000	31 000	44 929	-
TOTAL, section 1 . . .	<u>1 507 700</u>	<u>1 449 900</u>	<u>1 333 230</u>	<u>57 800</u>

1-4 The estimates take into account an increase of about 7 per cent in air fares, and higher subsistence rates at several duty stations. The increase of \$57,800, compared with the appropriation under this section for the current year, is accounted for about equally by chapters I and III.

1-5 In the case of the General Assembly and its subsidiary bodies (chapter I) the estimates show increases, among others, for the Advisory Committee on Administrative and Budgetary Questions (\$16 000 above the 1972 appropriation level), the Committee on Contributions (up \$5 600) and the United Nations Joint Staff Pension Board (up \$4 900). The meeting schedules in 1973 of both the Committee on Contributions and the Pension Board are heavier than those provided for in the 1972 budget. <sup>21/</sup> As for the Advisory Committee on Administrative and Budgetary Questions, the appropriation for 1972 was somewhat understated as it did not take fully into account the Committee's recent enlargement from 12 to 13 members, nor the need to extend its spring-summer session to deal, among other things, with the administrative and programme support budget of UNDP.

1-6 The increase requested for subsidiary organs of the Economic and Social Council arises in part from the fact that the bodies due to meet in 1973 are not all the same as those meeting in 1972, as indicated in table 1-1 of the estimates. Moreover, the estimate for the Sub-Commission on Prevention of Discrimination and

<sup>21/</sup> The 1972 budget provided only for a meeting of the Standing Committee of the Board, but the full Board did in fact meet. The Board has not yet decided where it will meet in 1973. Should it decide to meet in New York, and should its Standing Committee not meet in Europe, the costs to be met by the United Nations would be less than the estimate of \$8 000.

Protection of Minorities shows an increase of \$17 200, due mainly to an increase from two to three in the number of special rapporteurs and to the meeting of a working group on communications.

1-7 For chapter IV (the Trusteeship Council, commissions and committees) the estimate of \$31 000 is provisional, pending further consideration by the Council of its programme for 1973.

1-8 As in past years, in calculating the estimates for section 1 the Secretary-General has not - except in the case of the General Assembly - made any deduction to reflect the fact that frequently members of United Nations organs do not all attend sessions or attend for only part of the time. For that reason, and since the non-exercise of entitlements by delegations attending the General Assembly has usually been higher than expected, the Advisory Committee has in past years recommended reductions in the estimate, and experience has tended to show that such reductions were realistic. The Committee therefore recommends that the estimates for 1973 be reduced by \$60 000.

Reduction recommended:

Section 1. Travel and other expenses of representatives	\$
and members of commissions, committees and other	
subsidiary bodies . . . . .	60 000

Section 2. Special meetings and conferences

	\$
Estimate submitted by the Secretary-General . . . . .	1 252 100
Estimate recommended by the Advisory Committee . . . . .	1 091 100
1972 (appropriation) . . . . .	2 846 600
1971 (obligations) . . . . .	3 278 292

2-1 Under section 2 provision is made for conferences of an extraordinary character, which vary in number and size from year to year, and also for the regular sessions of the Economic Commission for Asia and the Far East (ECAFE), the Economic Commission for Latin America (ECLA) and the Economic Commission for Africa (ECA). The sessions of the General Assembly, the councils, the various commissions (including ECE) and other subsidiary organs are serviced by staff whose salaries and common staff costs are included in sections 3 and 4 and travel in section 5. Provision for the conferences and meetings of UNCTAD and UNIDO is made under sections 15 and 16.

2-2 At the time of the preparation of the initial estimates, requirements under section 2 totalled \$1 252 100 (see table 4 below).

Table 4. Special meetings and conferences

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obliga- tions</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
I. Conference of the Committee on Disarmament . . . . .	656 000	561 000	750 227	95 000
II. Third World Population Conference . . . . .	161 000	52 000	-	109 000
III. Twenty-ninth session of the Economic Commission for Asia and the Far East . . . . .	83 000	33 200	31 473	49 800
IV. Conference on International Container Traffic . . . . .	12 000	244 200	64 489	(232 200)
V. Seventh United Nations Regional Cartographic Conference for Asia and the Far East . . . . .	30 000	11 900	16 877	18 100
VI. Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders . . . . .	104 000	-	8 606	104 000
VII. Eleventh session of the Economic Commission for Africa . . . . .	141 100	28 800	95 865	112 300
VIII. Fifteenth session of the Economic Commission for Latin America . . . . .	65 000	-	66 899	65 000
Special meetings and conferences for which no provision is made for 1973 . . . . .	-	1 915 500 <sup>a/</sup>	2 243 856 <sup>b/</sup>	(1 915 500)
TOTAL, section 2 . . . . .	1 252 100	2 846 600	3 278 292	(1 594 500)

a/ This total consists of United Nations Conference on the Human Environment (\$1 007 200); Second Asian Population Conference (\$80 800); Second United Nations Conference on Standardization of Geographical Names (\$70 500); Fourth International Conference on the Peaceful Uses of Atomic Energy (\$110 000); Special Committee for the Review of the United Nations Salary System (\$267 200); Special Committee on the Question of Defining Aggression (\$19 100); Conference of Plenipotentiaries to Amend the Single Convention on Narcotic Drugs (\$62 900); Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor beyond the Limits of National Jurisdiction (\$203 400); and Meetings of the Sub-Committees of the Committee on the Peaceful Uses of Outer Space (\$93 400).

b/ This total consists of: United Nations Conference on the Human Environment (\$1 121 108); Fourth International Conference on the Peaceful Uses of Atomic Energy (\$375 456); Special Committee for the Review of the United Nations Salary System (\$150 181); Committee on the Peaceful Uses of the Sea-Bed and the Ocean Floor beyond the Limits of National Jurisdiction (\$313 362); Meetings of the Sub-Committees of the Committee on the Peaceful Uses of Outer Space (\$92 843); Second Asian Conference on Industrialization (\$3 030); Meeting of the Committee on Natural Resources (\$11 000); Conference on the Participation of Youth in the Second United Nations Development Decade (\$22 537); and Conference of Plenipotentiaries for the Adoption of the Protocol on Psychotropic Substances (\$154 339).



2-3 The estimate for chapter I (Conference of the Committee on Disarmament) is based on the new procedure adopted following consultations at the twenty-sixth session of the General Assembly, whereby the verbatim records of meetings consist of the corrected texts of statements provided by the delegations themselves, and of translations of those statements into the other working languages. The Advisory Committee was pleased to learn that the new procedure, which dispensed with the services of verbatim reporters, at a saving of over \$200 000, has been working satisfactorily.

2-4 Requirements for chapter I cannot be forecast with accuracy as they depend on the duration of the Conference. The 1973 estimate, like the 1972 appropriation, assumes a six-months' session, the increase of \$95 000 (17 per cent) being attributed by the Secretary-General to projected increases in salary rates for short-term conference staff; the numbers of such staff show no change compared with 1972.

2-5 The Advisory Committee is of the opinion that those numbers can be reduced somewhat. A complement of 10 revisers and 20 translators is generous for a body which normally does not meet more than twice a week. The Committee also believes that a reduction could be made in the number of ushers (seven) assigned to the Conference. Accordingly, the Advisory Committee recommends that the estimate be reduced by \$30 000, i.e. from \$656 000 to \$626 000.

2-6 The requirements under chapter II arise from Economic and Social Council resolution 1484 (XLVIII) of 3 April 1970 in which the Council approved the proposal that a World Population Conference be held in 1974 and, in operative paragraph 3, requested the Secretary-General, in connexion with his plans for financing the Conference,

"(a) To seek provision in his 1971, 1972, 1973 and 1974 budget estimates for United Nations participation with the hope that adequate resources will be provided by the General Assembly;

"(b) To explore the possibility of obtaining contributions from external sources so as to reduce the expenses incurred by the United Nations."

The financial implications for 1971-1974 were initially estimated at \$613 000. 22/ Subsequently, the Secretary-General undertook to meet the 1971 requirements (estimated at \$57 400) from within the total resources available to him in that year. 23/

2-7 The 1973 estimate of \$161 000 includes \$92 000 for the salaries and common staff costs of a conference secretariat consisting of three Professional staff (one P-5, one P-4, one P-3) and two General Service staff on a full-year basis. The Advisory Committee was informed that the Secretary-General is using the 1972 appropriation of \$52 000 to finance two Professional posts (one P-5 and one P-3) and one General Service post.

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22/ Official Records of the Economic and Social Council, Forty-eighth Session, Supplement No. 3 (E/4768), annex IV, para. 6.

23/ A/C.5/1302, para. 3.

2-8 In its report on the budget estimates for 1972 the Advisory Committee expressed the view that the permanent staff of the Population Division could undertake some of the preparatory work for the Conference, thus reducing the need for temporary assistance and consultants. 24/ The Advisory Committee discussed this question with a representative of the Division. It was informed that the regular establishment of the Division would be making a contribution to the preparatory work, but additional staff resources would be needed. The plans and arrangements for the Conference were still under consideration and the ultimate sharing of costs between the regular budget and extra-budgetary funds could not yet be determined. In this connexion the Committee was informed by representatives of the United Nations Fund for Population Activities that the Secretary-General had approached the Fund with the request that it finance several Professional and General Service posts in the conference secretariat; the request was under active consideration.

2-9 Subsequent to the preparation of the initial estimates for 1973, changes in the arrangement for the Population Conference were discussed by the Economic and Social Council at its fifty-second session. The financial implications of the Council's decision will be reflected as necessary in revised estimates which the Secretary-General will submit to the General Assembly at its twenty-seventh session.

2-10 The Advisory Committee is concerned at the inadequate over-all planning of special conferences and at the tendency to make piecemeal changes entailing escalating costs. Such an approach is incompatible with serious medium-term planning and programming. The Committee recommends that early action be taken, in consultation with the United Nations Fund for Population Activities, to remedy this situation. The Committee also questions the need for 20 man-months of consultant services, particularly as some of them are apparently requested to supplement contributions to be made by the specialized agencies within their respective fields of competence. Bearing in mind the many uncertainties still surrounding the preparations for the Conference, and the degree of financial support which may be forthcoming from extra-budgetary sources, the Advisory Committee recommends that, at this stage, the estimate for section 2, chapter II be reduced by \$61 000 to \$100 000.

2-11 Chapter III includes the estimates for the twenty-ninth session of the Economic Commission for Asia and the Far East (ECAFE), to be held in Tokyo and for miscellaneous expenses related to the seventh session of the Council of Ministers for Asian Economic Co-operation.

2-12 The estimated cost to the United Nations of the session in Tokyo is \$77 000 or some two-and-a-half times greater than that of the session of ECAFE held in Manila in 1971 (\$31 473). The Advisory Committee inquired into the legislative authority for charging to the United Nations budget extra costs due to the holding of sessions of regional economic commissions away from their respective headquarters. Under the terms of operative paragraph 9 (i) of General Assembly resolution 2609 (XXIV)

"The regular sessions of the Economic Commission for Asia and the Far East, the Economic Commission for Latin America, and the Economic Commission for

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24/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 95:

Africa, as well as meetings of their subsidiary bodies, may be held away from their headquarters when the commission concerned so decides, subject in the case of regular sessions of the commissions, to the approval of the Economic and Social Council and of the General Assembly."

This provision has always been interpreted as relieving the host country of the liability to meet all the extra costs involved. By resolution 2834 (XXVI) the General Assembly decided "to continue in force for 1972 the provisions of paragraph 9 of resolution 2609 (XXIV)". Consequently, the inclusion of an estimate for the ECAFE session in Tokyo assumes (a) that the Commission's decision to hold the session in Tokyo will be approved by the Council and by the General Assembly, and (b) that the provisions of operative paragraph 9 (i) of resolution 2609 (XXIV) will be extended beyond the end of 1972.

2-13 Most of the extra costs to be borne by the United Nations are attributable to travel and subsistence of 65 staff to be detailed from Bangkok. The Advisory Committee was informed that the number of staff sent to Manila in 1971 was 58. The Committee recommends that the 1973 requirements be reviewed so as to reduce the number of staff approximately to the level sent to Manila. The Committee recommends further that where large numbers of staff have to attend a meeting away from their duty station, the Secretary-General investigate the possibility of arranging group travel or chartering a plane. Accordingly the Advisory Committee recommends that the estimate for chapter III be reduced by \$10 000 to \$73 000.

2-14 Nearly the whole of the estimate of \$30 000 for chapter V is for the contractual translation, typing and reproduction of approximately 800 pages of papers to be submitted by Governments and other sources for the Seventh United Nations Cartographic Conference for Asia and the Far East scheduled to be held in October/November 1973. These regional cartographic meetings are held in pursuance of Economic and Social Council resolution 261 (IX). The Government of Japan which will act as host to the 1973 conference, will, in accordance with General Assembly resolution 2609 (XXIV), reimburse the United Nations for the extra expenditure attributable to the holding of the conference away from New York, where it would have been serviced from within the existing establishment. The costs of producing the final report and other post-conference documentation will be reflected in the budget estimates for 1974; the Secretary-General estimates those costs at \$51 300.

2-15 In chapter VI the Secretary-General requests \$104 000 to begin preparatory work for the Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders which it is planned to convene in Toronto, Canada, during the first two weeks of September 1975. The bulk of the request covers staff costs for a special secretariat for the Congress (two P-4 and one General Service staff - \$66 000) and staff travel, subsistence and consultants for two preparatory regional meetings to be held in 1973 (\$30 000). The Advisory Committee was informed that the total cost of the Congress could not be estimated at this stage; this is another instance of the lack of planning to which the Committee drew attention in paragraph 2-10 above.

2-16 The Advisory Committee recalled that in its first report on the Budget Estimates for the Financial Year 1971 it expressed concern at the growing practice of employing "additional staff for special conference secretariats during the

preparatory period, instead of relying on regular staff for that purpose; the engagement of large numbers of consultants and the high cost of producing background documents, etc. While the Committee fully agrees that, to be effective, a conference must be well prepared, it believes that a more economical approach is possible and should indeed be sought by both the preparatory committees and by the Secretary-General". 25/

2-17 Special conferences, particularly when they are of a periodic nature cannot properly be divorced from the normal work of the Secretariat. Existing staff should be used to the fullest extent and less urgent projects postponed. In this connexion the Advisory Committee notes that the work programme of the Social Development Division for 1973 includes several new studies on the prevention of crime and delinquency. 26/ The Advisory Committee recommends that the Secretary-General review the proposed new studies and determine which of them relate to the preparations for the Congress and which can be postponed until after the Congress. Consideration might also be given to the temporary redeployment of resources within the Division which, in 1972, consists of 54 Professional (including interregional advisers) and 31 General Service posts financed from the regular budget, and 12 Professional (including two interregional advisers) and 7 General Service posts financed from extra-budgetary funds. 27/

2-18 Accordingly the Advisory Committee recommends that the estimate in chapter VI be reduced by \$60 000 to \$44 000.

2-19 Chapter VII includes estimates for the eleventh session of the Economic Commission for Africa, to be held at Accra, Ghana (\$105 400), one meeting of the Technical Experts Committee (\$11 900) and two meetings of the Executive Committee (\$23 800). About half the cost of the session of the Commission is attributable to the travel by chartered aircraft and subsistence for 80 staff members from ECA headquarters, Addis Ababa.

2-20 The Advisory Committee draws attention to its observations in paragraph 2-12 above concerning the legislative authority for charging to the regular budget the extra costs attributable to holding the session away from the headquarters of the regional commission.

2-21 In chapter VIII the Secretary-General includes a provisional estimate of \$65 000 for the fifteenth session of the Economic Commission for Latin America, on the basis of the cost of the fourteenth session, held in Santiago in 1971. The Secretary-General indicates that after the venue of the fifteenth session and the related arrangements have been determined, he will submit detailed estimates to the General Assembly at its twenty-seventh session.

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25/ Ibid., Twenty-fifth Session, Supplement No. 8 (A/8008), para. 134.

26/ E/AC.51/60, pp. 118-119.

27/ Ibid., p. 125.

Recapitulation of reductions recommended:

\$

Section 2. Special meetings and conferences

Chapter I. Conference of the Committee on Disarmament . .	30 000
Chapter II. Third World Population Conference . . . . .	61 000
Chapter III. Twenty-ninth session of the Economic Commission for Asia and the Far East . . . . .	10 000
Chapter VI. Fifth United Nations Congress on the Prevention of Crime and the Treatment of Offenders . . .	60 000
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	161 000
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## PART II. STAFF COSTS AND RELATED EXPENSES

### Section 3. Salaries and wages

	\$
Estimate submitted by the Secretary-General . . . . .	99 951 000
Estimate recommended by the Advisory Committee . . . . .	99 113 500
1972 (appropriation) . . . . .	95 676 160
1971 (obligations) . . . . .	86 364 581

#### General

3-1 Provision is made under section 3 for salaries and wages for all established and provisional posts, temporary assistance (including experts and consultants) and overtime and night differential for all departments and offices except the posts financed under the regular programme of technical co-operation (sections 12, 13 and 14), UNCTAD (section 15), UNIDO (section 16), Special Missions (section 17), the Office of the United Nations High Commissioner for Refugees (section 18), the International Court of Justice (section 19), the United Nations Memorial Cemetery in Korea (section 20, chapter I), units financed jointly on an interagency basis (section 20, chapters VI-IX), and the revenue-producing activities (Income section 4). Also excluded is temporary assistance for special meetings and conferences, which is provided for under section 2. The established and provisional posts provided for under section 3 represent about 70 per cent of all such posts financed from the regular budget, and the section accounts for about 44 per cent of the gross initial estimate of \$224 150 100 for the budget as a whole.

3-2 In table 5 below the estimate for 1973 is compared by chapter with the appropriation for the current year and 1971 obligations. It will be noticed that it is about \$4.3 million above the 1972 level and \$13.6 million more than the amount obligated in 1971.

3-3 The increase in the estimate for 1973, compared with the appropriation for 1972, is distributed among all chapters of this section. In the paragraphs which follow the Advisory Committee analyses the reasons for these variations and makes its recommendations on the level of the 1973 appropriations for each of the five constituent chapters.

Table 5. Section 3. Salaries and wages

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obligations</u>	<u>Increases 1973 over 1972</u>
	\$	\$	\$	\$
I. Established posts . . . .	90 031 700	87 017 460	77 693 889	3 014 240
II. Temporary assistance for meetings . . . . .	2 234 500	1 875 000	2 164 278	359 500
III. Other temporary assistance	4 357 000	3 852 500	3 909 560	504 500
IV. Overtime and night differential . . . . .	1 636 000	1 446 300	1 501 827	189 700
V. Provisional staffing requirements . . . . .	1 691 800	1 484 900	1 095 027	206 900
TOTAL, section 3 . . .	<u>99 951 000</u>	<u>95 676 160</u>	<u>86 364 581</u>	<u>4 274 840</u>

Chapter I. Established posts

	\$
Estimate submitted by the Secretary-General . . . . .	90 031 700
Estimate recommended by the Advisory Committee . . . . .	89 610 200
1972 (appropriation) . . . . .	87 017 460
1971 (obligations) . . . . .	77 693 889

3-4 In paragraphs 32 to 34 above the Advisory Committee has described the change proposed by the Secretary-General in the manner of budgeting the costs of staff and other expenditures which the United Nations incurs for implementing Technical Assistance projects of UNDP. Since this change affects the level of section 3 (as well as that of the four other sections involved) it must be taken into account if the 1973 estimates are to be compared directly with the appropriations for 1972. The amount involved in section 3 (chapter I) is \$1 330 900. Thus on a strictly comparable basis the increase in the estimate for this chapter is actually of the order of \$4.3 million and not \$3 million as the table would suggest. The increase under chapter I can be broken down as follows:

Item

\$

(a)	Higher salaries and post classifications at New York, Geneva and other offices . . . . .	3 344 500 <sup>28/</sup>
(b)	Cost of implementing General Assembly resolution 2480 B (XXIII) on language incentives . . . . .	266 400
(c)	The extra cost of financing on a full-year basis new posts approved for 1972 to which a large deduction for delayed recruitment was applied in that year . . . . .	465 610
(d)	Variations in entitlements of staff members . . . . .	226 000
(e)	New requirements not provided for in 1972 . . . . .	212 260
(f)	Miscellaneous adjustments, including transfers of posts between sections . . . . .	(169 630)
		<hr/> 4 345 140
	<u>Deduct:</u> Cost of posts related to UNDP Technical Assistance projects . . . . .	1 330 900
		<hr/> <hr/> 3 014 240

3-5 Item (e) above (New requirements not provided for in 1972) consists of \$176 560 for 4 new posts at the Professional and higher levels and 10 at the General Service level; and \$35 700 for 27 upward reclassifications of posts, including 19 within the Professional category and above and 1 from the General Service to the Professional category. If these changes are taken into account, along with the deletion of posts related to UNDP technical assistance activities and miscellaneous transfers and adjustments, the number of posts at the Professional and higher levels financed under chapter I of section 3 would decline by 38 (from 2 508 to 2 470), and the number of General Service posts by 43 (from 2 646 to 2 603). A breakdown by office of the proposed establishment is provided in table 3-3 of the estimates.

3-6 New posts are requested for the following offices:

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<sup>28/</sup> Net result after taking into account some decreases attributable to exchange variations.



	<u>Professional and above</u>	<u>General Service</u>
Executive Office of the Secretary- General . . . . .	1	4
Office of the Under-Secretary-General for Political and General Assembly Affairs . . . . .	1	4
Office of the Under-Secretary-General for Special Political Affairs . . . . .	1	-
International Narcotics Control Board . . . . .	1	2
TOTAL . . . . .	4	10

3-7 Apart from the International Narcotics Control Board, the new posts proposed are in units which have not yet been subject to a staff utilization and deployment survey by the Administrative Management Service. At the time the Committee reviewed the initial budget estimates for 1973 there was uncertainty as to which units of the Secretariat surveyed by AMS since the autumn of 1971 would be the subject of revised estimates later this year, since recommendations on certain units were still being studied by the Secretary-General. The implications of this situation for the estimate for chapter V of section 3 (Provisional staffing requirements) is discussed by the Advisory Committee in paragraphs 3-34 to 3-37 below. In chapter I of this report the Committee has reviewed the work of AMS in the past year.

3-8 It will be recalled that during its twenty-sixth session the General Assembly considered proposals by the Secretary-General for restructuring the Department of Economic and Social Affairs. (A/C.5/1380 and Corr.1) At that time the Assembly decided not to proceed with the changes proposed, so as to enable them to be studied further during 1972. 29/ When the Advisory Committee reviewed the estimates for 1973 the Secretary-General was considering this subject; 30/ the estimate for the Department under chapter I of section 3 is based on the maintenance of the same establishment as that approved for 1972, with the exception of posts for implementing technical assistance projects of UNDP, which have been taken out. However, the manning table provided in table 3-A-16 of the estimates reflects a number of redeployments which the Secretary-General has made, and which are described in detail in paragraph 123 of the estimates. The Advisory Committee was informed that the redeployments reflect the existing pattern of the use of posts and are presented for the information of the General Assembly, and not as a proposal for the eventual manning table of the Department.

29/ General Assembly resolution 2898 (XVI) of 22 December 1971.

30/ See para. 48 above.

3-9 The Advisory Committee notes that in calculating the estimate under chapter I the Secretary-General has sought to respond to the directive given by the General Assembly in its resolution 2836 (XXVI) of 17 December 1971, that he reflect in his budget estimates for 1973 and subsequent years the progressive savings expected to flow from implementing the recommendations on the control and limitation of documentation. The Secretary-General has done this by applying to the calculated cost of posts relating to documentation a deduction of 2 per cent. In addition he has made the usual 5 per cent deduction to the cost of all existing posts at the Professional and higher levels to reflect savings which arise from the normal turnover of staff. Finally, to provide for the normal delay in recruitment he has applied a deduction of 40 per cent to the cost of proposed new posts at the Professional and higher levels, and a deduction of 20 per cent to the cost of new posts at the General Service level.

3-10 In the view of the Advisory Committee estimated requirements for 1973 for established posts cannot be viewed in isolation from the economy measures instituted by the Secretary-General at the beginning of 1972, and in particular the temporary suspension of the recruitment of staff at the Professional and higher levels which went into effect on 1 February 1972. As a result of the suspension the number of vacancies at the Professional and higher levels throughout the Secretariat increased steadily during the first half of 1972. The Advisory Committee was informed that even if normal recruitment were to be resumed after the end of September, the Secretary-General expected that the number of vacancies at year-end would be in the region of 290.

3-11 The deduction of 5 per cent applied to the cost of established posts at the Professional and higher levels (see paragraph 3-9 above) supposes that at any given time there will be about 150 vacancies due to normal staff turnover. To this number can be added about 20 vacancies representing the practical effect of applying a 2 per cent deduction to the cost of posts related to documentation under section 3 (paragraph 3-9). Thus at the beginning of 1973 the number of "exceptional" vacancies might be of the order of 120, of which about 95-100 would be posts financed from section 3. Clearly the Secretary-General would not be in a position to fill all those vacancies immediately, even assuming that all constraints on recruitment were lifted by that time. The Advisory Committee recognizes that during 1972 applications for employment to the United Nations at the Professional and higher levels were being processed in the usual way, pending authorization to go ahead with actual recruitment. This will reduce the time needed to fill the additional vacancies arising during 1972, but it will not lead to immediate recruitment; on the average a delay of some months must be expected. The request for established posts makes no provision for such a delay and the Advisory Committee believes, on the basis of the above, that the Secretary-General over-estimates actual requirements for 1973 by about \$500 000. The Committee therefore recommends that the estimate under chapter I of section 3 be reduced by that amount. Since this recommendation is based on expectations at the mid-point of the year the Committee is prepared to review it later in 1972 should decisions taken by the Secretary-General or by legislative bodies so warrant.

3-12 The Advisory Committee has not taken into account in the above recommendation the possibility that the Secretary-General might not wish to resume later in 1972 or early in 1973 full recruitment, on the basis of the approved establishment. The Committee observes that the existence of a large number of unfilled posts at the Professional and higher levels will give him the opportunity, should he so wish, to review the over-all staff requirements of the Secretariat in the interests of rationalization, efficiency and productivity.

3-13 The above point is relevant to the Secretary-General's request for new established posts in 1973 at the Professional and higher levels (see paragraph 3-5 above). That request is a modest one, but the Advisory Committee wonders whether it is logical to request new posts at a time when so many existing posts remain unfilled within the Secretariat, particularly since the Secretary-General can reallocate posts within the consolidated manning table. The Committee believes that the Secretary-General should in general provide for the additional posts which he has requested by redeploying existing posts; it accepts, however, the request for one additional post at the level of Assistant Secretary-General, (in the office of Under-Secretary-General for Special Political Affairs) in view of the limited possibilities of redeploying posts at that level. On the other hand, the Committee was informed that unless additional responsibilities calling for increased staff are entrusted to the Office for Inter-Agency Affairs, that Office will not request the retention in its manning table in 1973 of one Professional post; accordingly the Advisory Committee recommends that the post in question be deleted. With the above exceptions the Committee recommends no change in the establishment at the Professional and higher levels under section 3. The net effect of the above recommendations would be to reduce the Secretary-General's estimate of requirements under chapter I by a further \$70 000.

3-14 Since requirements for Professional and General Service staff are to some extent interrelated, the Secretary-General may wish to review his proposal to add 10 new General Service posts.

3-15 The Advisory Committee has expressed in the past its concern at the practice of reclassifying posts. Unless applied in moderation and carefully controlled, that practice can give rise to disparities in grading. Moreover in its first report on the budget estimates for 1972 the Committee stated that it would be premature to consider the reclassification of posts in advance of the findings of the Administrative Management Service. 31/ The Committee was pleased to note therefore that the number of reclassifications proposed for 1973 under chapter I of section 3 is 27 against a total of 50 originally proposed for 1972. Of the 27 reclassifications now proposed one third are in the Executive Office of the Secretary-General. The remainder are dispersed over numerous offices and are, for the most part, at a relatively junior level.

3-16 The reclassifications within the Executive Office of the Secretary-General are the most significant and appear to reflect a fairly major reorganization of that office. The Advisory Committee does not object on that account. The Committee recognizes that on the appointment of a new Secretary-General changes may be required if the functions and procedures of the Executive Office are to accommodate the different approach which any new incumbent is likely to bring to this high office.

3-17 Nevertheless, the Committee trusts that once the initial and more personal adaptations have been made in the Executive Office of the Secretary-General advantage will be taken of the expertise of the Administrative Management Service in matters of organization and grading. It is essential that a uniform and expert judgement be brought to bear on problems of this kind on a Secretariat-wide basis.

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31/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 37.

3-18 The estimate for chapter I includes \$23 500 for the payment of a Special Duties Allowance to a few staff members at the D-2 level. Payment of such an allowance in specific cases was begun in 1958, following the conversion to the D-2 level of some posts formerly at the Deputy Under-Secretary level. Since the allowance was intended as a transitional measure the Advisory Committee would look with disfavour on its extension to other officials.

3-19 In paragraph 3-15 of his estimate the Secretary-General notes that credits provided for in prior years under sections 3, 4 and 10 for part-time cleaners at Geneva do not figure in the estimates for 1973, since he is proposing that the cleaning of the Palais des Nations be done on a contractual basis, and the costs charged to section 9. In its observations on section 9 the Advisory Committee has recommended that this change not be carried out in 1973, and has recommended the deletion of the credits proposed under that section. Accordingly it will be necessary to restore the amount of \$148 500 removed by the Secretary-General from chapter I of section 3. Hence, the net reduction recommended by the Advisory Committee under this chapter amounts to \$421 500.

## Chapter II. Temporary assistance for meetings

	\$
Estimate submitted by the Secretary-General . . . . .	2 234 500
Estimate recommended by the Advisory Committee . . . . .	2 129 500
1972 (appropriation) . . . . .	1 875 000
1971 (obligations) . . . . .	2 164 278

3-20 Estimated requirements under this chapter comprise \$1 595 000 for temporary assistance for the twenty-seventh session of the General Assembly and \$639 500 for temporary assistance to service meetings in Geneva (including those of the Economic Commission for Europe). The total exceeds the appropriation for 1972 by \$359 500, or almost one fifth.

3-21 In the case of the General Assembly, the Secretary-General states that he has reduced his request by \$155 000 in accordance with the recommendations of the Assembly on the control and limitation of documentation. Nevertheless the estimate exceeds the appropriation for the current year by almost \$100 000. Thus had no deduction been made on the grounds of documentation the increase in this estimate would have been in the order of \$250 000, or one sixth. The Advisory Committee is not satisfied that rising costs justify so great an increase and recommends that the estimate be reduced by \$20 000.

3-22 Requirements for Geneva amount to about 70 per cent more than the appropriation for 1972. The reasons are a heavier schedule of meetings in Geneva, higher short-term salary rates, and adjustments in the rate of exchange of the Swiss franc against the United States dollar. The Advisory Committee was informed that as a result of modifications decided by the United Nations Commission on International Trade Law to its meetings programme for 1973, it would be possible to reduce the estimate by \$65 000. A further reduction of \$20 000 should be within reach if efforts are made to reduce the volume of documentation, in line with the wishes of the General Assembly.

### Chapter III. Other temporary assistance

	\$
Estimate submitted by the Secretary-General . . . . .	4 357 000
Estimate recommended by the Advisory Committee . . . . .	4 137 000
1972 (appropriation) . . . . .	3 852 500
1971 (obligations) . . . . .	3 909 560

3-23 The estimate for chapter III comprises \$2 871 000 for article (i) (General temporary assistance), \$1 216 000 for article (ii) (Individual experts and consultants) and \$270 000 for article (iii) (Ad hoc expert groups). It is \$504 500 greater than the appropriation for 1972 and \$447 440 above obligations in 1971.

3-24 The request for general temporary assistance accounts for the entire increase in the estimate under chapter III. The Secretary-General lists new requirements in 1973 in the amount of \$589 100, broken down as follows:

	\$	\$
1. Credits required on a full-year basis in 1973 as against part of the year in 1972		
(a) Lump-sum provision to maintain and operate the new administrative building at the Palais des Nations in Geneva . . . . .	228 800	
(b) Programmers and systems analysts in the Electronic Data Processing and Information Systems Office in the Office of the Under-Secretary-General for Administration and Management . . . . .	125 300	
(c) Similar posts to those in (b) above in the Accounts Division of the Office of the Controller . . . . .	60 000	414 100
2. Strengthening the staff of the Office of the United Nations Disaster Relief Co-ordinator in Geneva . . . . .		50 000
3. Establishment of a small electronic data processing and information systems unit in Geneva . . . . .		46 000
4. Financing by the Economic Commission for Latin America of two Professional and seven local level posts for the Latin American documentation centre (previously financed by the Netherlands Government) . . . . .		79 000
TOTAL . . . . .		589 100

3-25 The above needs relate to staff who, although classified as temporary assistance, are in fact needed on a continuing basis. The same applies to some other requirements under this article, as pointed out by the Secretary-General in paragraph 3-26 of his estimates. During 1972 the recruitment of general temporary assistance staff has been subject to the temporary suspension of new appointments in the Professional and higher categories. Since for practical purposes the staff concerned differ little from those occupying established posts, the Advisory Committee concluded that - as in the case of chapter I of section 3 - some allowance should be made in the 1973 estimates for delays which are likely to occur once normal recruitment is resumed (see paragraphs 3-10 and 3-11 above).

3-26 In connexion with item 1 (a) above, the Committee is concerned at the amounts included in the 1973 estimates under this and other sections to maintain and operate the extension to the Palais, especially since they apply only to the administrative building and not to the new conference area, which will not be in normal operation before 1974. The Committee calls on the Secretary-General to limit the engagement of temporary assistance for the Palais to the absolute minimum.

3-27 The balance of the estimate for general temporary assistance is intended to provide for extra staff needs during peak workload periods, temporary staff during the absence of regular staff on sick and maternity leave, and other periodic short-term needs. This is an area where the judicious management of regular staff and the careful programming of assignments within the Secretariat can produce significant economies.

3-28 For the above reasons the Advisory Committee concluded that a reduction of \$116 000 could be applied to the Secretary-General's estimate of requirements for general temporary assistance. A further reduction of \$4 000 should result from manpower savings in the Cashier's Office at Headquarters, where the Secretary-General proposes the installation of two bookkeeping machines (see paragraph 8-4 below). The Committee accordingly recommends a total reduction of \$120 000 in the estimate for article (i).

3-29 The Committee notes from the Secretary-General's proposals that the tendency to finance under the provision for general temporary assistance posts which are in fact required on a continuing basis seems to be growing. The Advisory Committee trusts that the Secretary-General will not overlook this matter, to which the Committee called attention last year. 32/

3-30 Estimated requirements under article (ii) (Individual experts and consultants) are about \$40 000 less than the 1972 appropriation. This is partly because a special requirement of \$25 000 approved for the Office of Personnel for 1972 is not needed in 1973. The Advisory Committee was informed that the Office for Inter-Agency Affairs will not in fact require the amount of \$10 000 which was included for it in the initial estimate; this amount can therefore be deleted. As for the balance of the request, the Advisory Committee has long held the view that expenditure on individual experts and consultants can easily get out of hand. On the basis of a review of requirements for each office the Committee concluded that in some cases the requests are disproportionately large by comparison with actual requirements in 1971. The Committee therefore recommends a total reduction of \$100 000 in the estimate for individual experts and consultants.

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32/ Ibid., para. 123.

3-31 In response to a request by the Fifth Committee 33/ the Joint Inspection Unit is reviewing the use of experts and consultants by the United Nations and is to report on this subject to the General Assembly at its twenty-seventh session. The Advisory Committee will review its recommendation in the preceding paragraph in the light of the Unit's report.

3-32 The estimate for article (iii) (Ad hoc expert groups) is \$24 000 less than the appropriation for 1972 and almost \$80 000 below obligations in 1971. The Advisory Committee concurs in that estimate.

#### Chapter IV. Overtime and night differential

\$

Estimate submitted by the Secretary-General . . . . .	1 636 000
Estimate recommended by the Advisory Committee . . . . .	1 550 000
1972 (appropriation) . . . . .	1 446 300
1971 (obligations) . . . . .	1 501 827

3-33 In arriving at his estimate for this chapter the Secretary-General has calculated the effects of salary increases, and has made a deduction of \$46 000 to reflect savings which he hopes to achieve through control and limitation of documentation. However it appears from paragraph 3-38 of the estimates that the request is based primarily on obligations in 1971; insufficient account seems to have been taken of the large reduction which the Advisory Committee recommended to the initial estimates for 1972 and which the General Assembly approved. 34/ For reasons similar to those which it adduced last year the Advisory Committee believes that this estimate can be significantly reduced. Furthermore, the Advisory Committee recalls that at the initiative of the Secretary-General stringent controls were introduced early in 1972 to reduce expenditure on overtime; the Committee believes that the effects of those measures should be reflected in the estimate for 1973. Accordingly, the Committee recommends an estimate of \$1 550 000 for chapter IV, a reduction of \$86 000.

#### Chapter V. Provisional staffing requirements

\$

Estimate submitted by the Secretary-General . . . . .	1 691 800
Estimate recommended by the Advisory Committee . . . . .	1 686 800
1972 (appropriation) . . . . .	1 484 900
1971 (obligations) . . . . .	1 095 027

33/ Ibid., Twenty-sixth Session, Annexes, agenda item 76, document A/8531/Add.1, para. 23.

34/ Ibid., Twenty-sixth Session, Supplement No. 8 (A/8408), para. 128.

Table 6. Common staff costs: analysis by chapter and by year for 1971, 1972 and 1973

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropria- tions</u>	<u>1971 obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
I. Staff allowances . . .	4 231 000	4 029 900	3 799 239	201 100
II. Social security payments . . . . .	13 375 050	12 410 950	11 434 737	964 100
III. Travel on appointment, transfer and separation . . . . .	1 285 000	1 421 000	1 085 225	(136 000)
IV. Removal expenses on appointment, transfer and separation . . . .	1 047 000	912 900	843 131	134 100
V. Separation payments .	2 169 000	2 004 200	1 868 301	164 800
VI. Staff training programmes . . . . .	1 078 150	1 078 150	700 136	-
TOTAL, Section 4 . . .	<u>23 185 200</u>	<u>21 857 100</u>	<u>19 730 769</u>	<u>1 328 100</u>

4-4 While the increase in the 1973 estimate compared with the 1972 appropriation is considerable, the increase since 1971 is more striking, amounting to \$3 454 431, or more than 17 per cent. On a truly comparable basis the expansion in requirements under section 4 has been even greater, since the 1973 estimate excludes provision for those posts whose salaries and wages were previously financed from section 3 but henceforth would be charged directly to the United Nations Development Programme (UNDP) (see paragraph 3-4 above).

4-5 The Secretary-General notes that the estimate for section 4 represents 25.28 per cent of the credits of \$91 723 500 requested under chapters I and V of section 3 (Established posts and provisional staffing requirements), compared with 24.70 per cent for 1972 and 25.04 per cent for 1971 (actual experience). There are two main reasons for the higher percentage: an increase from July 1972 of 5 per cent in that portion of the remuneration of staff at the Professional and higher levels which is pensionable, for the reason set out in paragraph 4-11 of the estimates, and an increase from \$300 to \$450 in the dependency allowance for staff in the General Service and Manual Worker categories, which was approved by the Secretary-General early in 1972, on the authority granted him under Staff Regulation 3.4 (d).

4-6 For the most part the estimates for chapters I to V suppose an increase in the number of entitlements, compared with actual experience in 1971; for example the Secretary-General is providing for the travel on appointment, transfer or separation



of about 500 staff at the Professional and higher level (470 in 1971) and about 140 in the General Service category (124 in 1971). While it is not possible to predict with certainty what the number of cases will actually be, analysis of the estimate in the light of the relative stability in the number of established posts under section 3 suggests that some items - such as travel and removal expenses (chapters III and IV) may have been over-estimated. Moreover, the Advisory Committee suggests that given the present budgetary constraints the Secretary-General should weigh carefully the expense involved in routine transfers of staff between offices. For these reasons the Committee recommends that the estimates for chapters III and IV be reduced by \$200 000.

4-7 The reduction which the Advisory Committee has recommended in the estimate for section 3 (see paragraphs 3-11, 3-13 and 3-38 above) would entail a further reduction of \$129 000 in requirements for chapters I to V of section 4.

4-8 The Secretary-General has maintained his request for chapter VI (Staff training programmes) at \$1 078 150, the level of the 1972 appropriation. However he leaves open the possibility of submitting revised estimates later this year in the light of the recommendations of the Administrative Management Service on the Office of Personnel, his substantive comments on the report by the Joint Inspection Unit on personnel problems (A/8454), and any relevant suggestions that might be made by the Special Committee for the Review of the United Nations Salary System.

4-9 The programme of staff training provided for under chapter VI of section 4 is that approved by the Fifth Committee in December 1971 on the basis of recommendations by the Advisory Committee. <sup>35/</sup> The main components are language training (\$388 150), career development training (\$90 000), study leave (\$75 000), the Junior Professional Trainee programme (\$395 000) and the training of Russian language staff at the Moscow Pedagogical Institute for Foreign Languages (\$107 000). The Advisory Committee was informed that for some of the above items the expansion of activities provided for in the 1972 appropriation has been rather slower than expected; since a similar situation is likely to persist during part of 1973 the Committee believes that the appropriation requested will not be required in full in that year; it accordingly recommends that the estimate for chapter VI be reduced by \$75 000.

4-10 There is no provision in the estimate for a United Nations contribution toward the cost of a staff college serving the organizations in the United Nations system. At its twenty-sixth session the General Assembly approved in principle the idea of the establishment of such a college, but deferred further consideration of the proposal to the twenty-seventh session. <sup>36/</sup> The Advisory Committee understands that such a staff college might provide career development training similar to that which is already being provided in the United Nations. It trusts therefore that should the General Assembly decide to set one up the Secretary-General will review his estimate of requirements for this type of training.

4-11 The Advisory Committee's recommendation that no change be made in 1973 in the arrangements for the cleaning of the Palais des Nations in Geneva (see

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<sup>35/</sup> Ibid., Supplement No. 8A (A/8408/Add.1-30), document A/8408/Add.21, para. 20.

<sup>36/</sup> A/8604/Add.1, para. 34; recommendation of the Fifth Committee approved by the General Assembly on 21 December 1971.

paragraph 9-4 below) will require the restoration of an amount of \$26 000 that the Secretary-General had deleted from his estimate for section 4. Thus the net reduction recommended by the Committee in the estimate is \$378 000.

Reduction recommended:

Section 4. Common staff costs . . . . . \$ 378 000

Section 5. Travel of staff

\$

Estimate submitted by the Secretary-General . . . . .	2 889 500
Estimate recommended by the Advisory Committee . . . . .	2 639 500
1972 (appropriation) . . . . .	2 656 100
1971 (obligations) . . . . .	2 672 610

5-1 The estimate for section 5 is \$233 400 above the appropriation for 1972, an increase of slightly less than 9 per cent. Of this increase \$170 300 is accounted for by chapter III (Travel of staff and dependants on home leave) and \$83 100 by chapter I (Travel of staff to meetings). There is a decrease of \$20 000 under chapter II (Travel of staff on official business other than to meetings). Table 7 below gives a comparative breakdown by chapter for 1973 (estimates), 1972 (appropriations) and 1971 (obligations).

Table 7. Travel of staff: analysis by chapter and by year for 1971, 1972 and 1973

Chapter	1973 estimates	1972 appropriations	1971 obligations	Increase (decrease) between 1972 and 1973	
				\$	Per cent
I. Travel of staff to meetings . .	326 100	243 000	221 715	83 100	34.2
II. Travel of staff on other official business . . .	796 400	816 400	727 416	(20 000)	(02.45)
III. Travel of staff and dependants on home leave .	1 767 000	1 596 700	1 723 479	170 300	10.66
TOTAL . . . . .	2 889 500	2 656 100	2 672 610	233 400	08.79

5-2 The requirements provided for under section 5 exclude travel of staff attached to the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the Office of the United Nations High Commissioner for Refugees (UNHCR), the International Court of Justice and special missions financed from section 17, and travel of staff related to special meetings and conferences. Requirements in 1973 for travel of staff at all offices, based on the initial estimates, amount to \$4 314 400 (comprising \$1 939 300 for travel on official business and \$2 375 100 for travel on home leave).

5-3 In paragraph 5-3 of his estimates the Secretary-General indicates that although air fares were increased by an average of 7 per cent in 1972 and subsistence rates have also increased in many countries, he has applied an increased cost factor of 5 per cent, based on 1972 requirements, when calculating the estimates.

5-4 When it reviewed the estimate for this section the Advisory Committee bore in mind the measures initiated by the Secretary-General early in 1972 to effect savings in travel costs by a more rigorous control procedure. No estimate could be given at that time of the likely budgetary effect of those measures, but the Advisory Committee believes that significant economies could be achieved during the current year, and that the 1973 estimates should be viewed in that context.

5-5 The Advisory Committee understands that the Joint Inspection Unit is studying all aspects of travel in the United Nations, and may submit a report to the General Assembly at its twenty-seventh session. The Committee's recommendations on the appropriations for travel in 1973 should be regarded as subject to revision in the light of whatever action may be taken on the Unit's report.

5-6 The Committee recalls that in its own first report on the budget estimates for 1972 it suggested that the Secretary-General review the practice of permitting staff and dependants to travel on home leave by sea at United Nations expense, 37/ it understands that the Secretary-General has this question under review, and trusts that he will bring forward proposals to the General Assembly at its twenty-seventh session, taking into account any related recommendations which the Joint Inspection Unit may make.

5-7 The Secretary-General informed the Committee that the main factors responsible for the increased estimate for chapter I (Travel of staff to meetings) were a heavier meetings programme, the need to service more meetings with Chinese-language staff, and the higher fares and subsistence rates referred to in paragraph 5-3 above. However, from the data supplied to it the Committee was unable to determine the relative impact of these three factors. The reasons for some of the more significant changes in individual estimates are explained in paragraphs 5-8 and 5-9 below.

5-8 The increase in the estimate for the Advisory Committee on Administrative and Budgetary Questions (chapter I, article (ii)) arises mainly from the need for more language staff to travel with the Committee; the same factor is responsible for most of the increase in costs for the Economic and Social Council (article (v)),

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37/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 155.

compared with obligations in 1971. The Committee was informed that the relatively low expenditure in 1971 for the Economic Commission for Asia and the Far East (\$8 062, as against an estimate for 1973 of \$15 000) was the result of strict control over the travel of staff to meetings in that year; since the Committee would expect similar control to be exercised in 1972 it believes that the estimate can be reduced. The estimate for article (xv) (joint meetings of ECE and a committee concerned with the international regulations for the carriage of dangerous goods by rail) is due to a larger programme of meetings than in 1971, and changes in servicing requirements. The higher estimate for the Commission for Social Development (article (xvii)) reflects the fact that the Commission will be meeting in Geneva in 1973 rather than in New York. In the case of the Committee for Housing, Building and Planning (article (xviii)) obligations in 1971 were less than expected since it proved possible to charge some travel of staff to an extra-budgetary account.

5-9 The estimate for the United Nations Commission on International Trade Law (chapter I, article (xi)) reflects a much heavier meetings programme in 1973 than in 1972, along with the decision of the Commission that it and its subsidiary groups meet in Geneva rather than New York. However, the Advisory Committee was informed that no firm decision has been taken to convene two of the Commission's working groups in 1973, and that the estimate could be reduced by \$5 000 on that account; moreover, savings of about \$2 500 will arise as a result of the Commission's decision to limit its sixth session to two weeks instead of four.

5-10 The Advisory Committee requested a breakdown of the substantive staff due to attend some of the meetings scheduled for 1973. On the basis of the information provided the Committee is convinced that sometimes more staff travel to meetings than are really needed, or can contribute effectively to the proceedings. Moreover, from its analysis of the estimates the Committee concluded that the cost of travel of staff to meetings could be reduced were more advantage taken of the concessionary excursion fares that are available for certain time-periods. For these reasons, and for those given in paragraphs 5-8 and 5-9 above, the Committee recommends that the estimate for chapter I be reduced by \$30 000.

5-11 As noted in paragraph 5-1 above, the estimate for chapter II (Travel of staff on official business other than to meetings) is \$20 000 less than the appropriation for the current year. However it exceeds obligations in 1971 by almost \$70 000. It should be borne in mind that the amounts involved under chapter II are far from representing the total programme of official travel undertaken by staff members. As in past years, the highest request is for the Department of Economic and Social Affairs, in the amount of \$121 000. By way of example, a breakdown of the Department's travel budget is given in the table below.

Table 8. Proposed travel of staff under section 5, chapter II:  
Department of Economic and Social Affairs

<u>Programme</u>	<u>\$</u>
Executive direction and management . . . . .	20 000
Development planning, projections and policies . . . . .	15 000
Public finance and financial institutions . . . . .	4 000
Statistics . . . . .	10 000
Public administration . . . . .	7 000
Transport and tourism . . . . .	3 000
Natural resources . . . . .	9 000
Ocean economics and technology . . . . .	5 000
Science and technology . . . . .	5 000
Social questions . . . . .	10 000
Population . . . . .	10 000
Human settlements . . . . .	11 000
Management of technical co-operation activities . . . . .	9 000
Departmental administration . . . . .	3 000
TOTAL . . . . .	<u>121 000</u>

5-12 The Advisory Committee recommends that the estimate for the Office of Legal Affairs be reduced since the Office has not recently incurred expenses on travel for consultations with United States authorities on legal matters, for which provision is made in the estimates.

5-13 While the estimates under chapter II for individual departments and offices in many cases bear witness to the Secretary-General's desire to hold down costs for this type of travel, the Advisory Committee believes that they do not sufficiently reflect the economies that can be expected from the tighter control measures initiated this year. The Committee also considers that savings could be achieved were more systematic efforts made to combine travel on official business with travel on home leave, and where possible to consult the permanent missions of Governments at United Nations offices rather than sending staff to capitals abroad. The Committee accordingly recommends an appropriation of \$726 400 for chapter II, a reduction of \$70 000, including that proposed in paragraph 5-12 above.

5-14 In its review of the estimates for chapter III (Travel of staff and dependants on home leave) the Advisory Committee was informed that about \$200 000 represents the extra cost of travel by sea for those staff members who have indicated that they will choose that form of travel (see paragraph 5-6 above). However experience in recent years suggests that many such staff do not in fact travel on home leave by sea, for a variety of reasons, with a result that the additional expense incurred for sea travel is less than provided for in the budget. In order to reflect this situation the Advisory Committee recommends that the estimate for chapter III be reduced by \$50 000.

5-15 Finally, to take account of the non-exercise of excess baggage entitlement (see paragraph 31 (c) above) the Advisory Committee recommends that a further reduction of \$100 000 be distributed among the chapters of section 5 at the discretion of the Secretary-General.

Reduction recommended:

	\$
Section 5. Travel of staff . . . . .	250 000
<u>Section 6. Payments under annex I, paragraphs 2 and 5</u> <u>of the Staff Regulations: hospitality</u>	
	\$
Estimate submitted by the Secretary-General . . . . .	159 000
Estimate recommended by the Advisory Committee . . . . .	150 000
1972 (appropriation) . . . . .	159 000
1971 (obligations) . . . . .	139 928

6-1 The estimates submitted by the Secretary-General are in the same amounts as the appropriations for 1972 both for the section as a whole and for its constituent chapters.

6-2 Chapter I, in the amount of \$100 000 covers additional payments made to Under-Secretaries-General, Assistant Secretaries-General and Directors by way of compensation for representational and hospitality costs incurred in the performance of duties assigned to them by the Secretary-General; this compensation takes the form of graduated lump-sum annual payments.

6-3 Chapter II (\$35 000) covers the reimbursement to members of the Secretariat below the rank of Director for hospitality expenses incurred by them in the interest of the Organization; this provision relates to all departments and offices at Headquarters, the Geneva office, the International Narcotics Control Board, the secretariats of the regional economic commissions, and the information centres.

6-4 Chapter III, in a total amount of \$24 000 makes provision for General Assembly functions (\$14 000) and for functions honouring Chiefs of State and visiting

dignitaries (\$10 000); actual requirements under the latter article are, by their very nature, unpredictable and vary from year to year.

6-5 Obligations in 1971 under section 6 were approximately \$19 000 below the approved appropriation. The Committee notes with satisfaction this saving which bears witness to the effectiveness of control over expenses on hospitality.

6-6 Given the increase in costs since 1971 the Advisory Committee recognizes that it may not be possible to achieve a corresponding saving in 1973. Bearing in mind however the special circumstances relating to the budget for 1973 and the need to effect economies in a way that would have least effect on the execution of programmes the Advisory Committee considers that every effort should be made to contain the requirements for section 6 including those under chapter I within a maximum of \$150 000.

Reduction recommended:

	\$
Section 6. Payments under annex I, paragraphs 2 and 5 of	
the Staff Regulations: hospitality . . . . .	9 000

PART III. CONSTRUCTION, ALTERATION, IMPROVEMENT AND  
MAJOR MAINTENANCE OF PREMISES

Section 7. Construction, alternation, improvement and  
major maintenance of premises

	\$
Estimate submitted by the Secretary-General . . . . .	14 875 400
Estimate recommended by the Advisory Committee . . . . .	12 965 400
1972 (appropriation) . . . . .	9 614 000
1971 (obligations) . . . . .	8 972 325

7-1 At its twenty-sixth session the General Assembly decided to apply to the 1972 estimates for Section 7 an amount of \$2 million which had been included in the 1971 budget for new construction at Headquarters, but had not been used. 38/ The effect was to reduce the 1972 appropriation by \$2 million. However, actual expenditure proposed under Section 7 was not affected, and remained at \$11 614 000. In effect therefore the 1973 estimates represent an increase of \$3.26 million, and not \$5.26 million, as the figures above would suggest. That increase arises mainly because under a schedule of payments approved by the General Assembly, 39/ expenditure on the extension to the Palais des Nations in Geneva will be much greater in 1973 than in 1972. The other main factors are the higher outlays expected for new construction at the headquarters of the Economic Commission for Asia and the Far East (ECAFE), and the Economic Commission for Africa (ECA). Table 9 below provides a comparative breakdown by chapter.

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38/ A/8531/Add.1, para. 88.

39/ Resolution 2891 (XXVI) of 22 December 1971.



Table 9 Construction, alteration, improvement and  
major maintenance of premises

Chapter	<u>1973</u> <u>Estimates</u>	<u>1972</u> <u>Appropriations</u>	<u>1971</u> <u>Obligations</u>	<u>Increase or</u> <u>(decrease)</u> <u>between 1972</u> <u>and 1973</u>
	\$	\$	\$	\$
A. CONSTRUCTION				
I. United Nations Headquarters, New York	2 500 000	2 500 000	2 500 000	-
II. United Nations Office at Geneva . . . . .	4 905 000	500 000 <sup>a/</sup>	1 500 000	4 405 000
III. Headquarters of the Economic Commission for Latin America, Santiago . . . . .	500 000	500 000	-	-
IV. Headquarters of the Economic Commission for Asia and the Far East, Bangkok . . . . .	3 000 000	2 400 000	1 100 000	600 000
V. Headquarters of the Economic Commission for Africa, Addis Ababa . . . . .	2 400 000	1 930 000	900 000	470 000
- Headquarters - new construction and major alterations to existing premises . . .	-	-	2 000 000	-
TOTAL, part A . . . . .	<u>13 305 000</u>	<u>7 830 000</u>	<u>8 000 000</u>	<u>5 475 000</u>
B. ALTERATION, IMPROVEMENT AND MAJOR MAINTENANCE				
VI. United Nations Headquarters, New York	244 400	538 000	335 374	(293 600)
VII. United Nations Office at Geneva . . . . .	1 281 000	1 246 000	636 951	35 000
VIII. Headquarters for the Economic Commission for Africa, Addis Ababa . . . . .	45 000	-	-	45 000
TOTAL, part B . . . . .	<u>1 570 400</u>	<u>1 784 000</u>	<u>972 325</u>	<u>(213 600)</u>
TOTAL, section 7 . . . . .	<u>14 875 400</u>	<u>9 614 000</u>	<u>8 972 325</u>	<u>5 261 400</u>

<sup>a/</sup> Actual requirements \$2 500 000; the reduction of \$2 million made by the General Assembly at its twenty-sixth session (see para. 7-1 above), while applicable to chapters II to V of section 7, has been shown by the Secretary-General against chapter II alone for purposes of presentation. See para. 7-4 below.

7-2 The provision in chapter I for amortization of the Headquarters construction loan of \$65 million is in the same amount as in recent years.

7-3 Chapter II provides for an instalment towards the cost of the extension to the Palais des Nations, in accordance with the schedule of payments approved by the General Assembly in its resolution 2891 (XXVI). The Secretary-General notes that while circumstances have made it possible not to increase the amount required in 1973, the further revision in the United Nations accounting rate for the dollar in terms of Swiss francs which took place in January 1972 will result in higher costs amounting to \$751 400 for the years 1974-1984. As indicated in table 7-2 of the estimates, the construction cost will thus amount to \$31 638 000 and the net budgetary requirements, taking account of all factors, to \$35 407 400. The Advisory Committee will consider later this year the report which the Secretary-General intends to submit to the General Assembly on the Palais project.

7-4 Since the General Assembly decided that the amount of \$2 million carried over from 1971 (see paragraph 7-1 above) should be applied to chapters II to V of section 7, the Advisory Committee believes that it should have been so shown in the Secretary-General's table, and not applied to chapter II alone.

7-5 At its twenty-sixth session the General Assembly empowered the Advisory Committee to authorize a start in 1972 on the construction of a new United Nations building in Santiago, Chile, should it be the view of the competent organs (the Economic Commission for Latin America (ECLA), the Economic and Social Council and the United Nations Development Programme (UNDP)) that the Latin American Institute for Economic and Social Planning should be continued and that ECLA should continue to provide it with accommodation. <sup>40/</sup> The Committee understands that the Secretary-General has taken steps to consult those three bodies. Their replies are unlikely to be available in time for construction to be authorized before late August or September 1972. The Advisory Committee was informed that on that basis requirements during 1972 would be unlikely to exceed \$50 000. Since the Assembly appropriated \$500 000 for this project in 1972, an amount of \$450 000 would thus remain available at year-end for carry-over to 1973. Even if a start on the building is made in 1972, total requirements in 1973 will not exceed \$750 000; the Advisory Committee therefore considers that the appropriation of \$500 000 requested by the Secretary-General for 1973 can be reduced to \$300 000, without prejudice to the advancement of the undertaking.

7-6 Under chapter IV the Secretary-General proposes that the 1973 appropriation for new construction at the headquarters of the Economic Commission for Asia and the Far East (ECAFE) in Bangkok be reduced from \$3.6 million (the amount approved by the General Assembly in its resolution 2894 (XXVI) of 22 December 1971) to \$3 million. The Advisory Committee was informed that the reason for this request is that a start on the project has been delayed, the site not yet having been fully cleared. In response to inquiries the Committee learned that even if certain legal difficulties which had arisen were settled by mid-1972, it was now considered unlikely that expenditure in that year would exceed \$500 000. That would mean that some \$3 million appropriated for 1971 and 1972 could be carried forward and made available in 1973. In these circumstances the Committee believes that even the reduced amount of \$3 million requested by the Secretary-General for 1973 will not be

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<sup>40/</sup> Resolution 2893 (XXVI) of 22 December 1971.

required. The Committee recommends therefore that the provision be reduced to \$2.2 million on the understanding that if required a compensating increase can be made in the appropriation for 1974.

7-7 As in the case of the new construction at Bangkok, the Secretary-General proposes a modification to the schedule of budgetary appropriations for the new building which the General Assembly has authorized at Addis Ababa, the seat of the Economic Commission for Africa (ECA) (chapter V). The Advisory Committee was informed that here again the reason for the proposal was a delay in getting the building started; however, the Secretary-General believed that no further obstacles remained and that the project would go ahead with dispatch. Nevertheless, on the basis of the information supplied to it the Advisory Committee is satisfied that the Secretary-General will not need even the reduced appropriation of \$2.4 million which he has requested for 1973, since a considerable proportion of the \$2 830 000 appropriated in 1971 and 1972 is likely to remain unspent at the end of this year. The Committee therefore recommends an appropriation of \$1.5 million for chapter V, on the understanding that if required a compensating increase can be made in the appropriation for 1974.

7-8 The Advisory Committee has no objection to the Secretary-General's proposals in paragraphs 7.11, 7.14 and 7.17 of the estimates that he be authorized to carry over to 1974 any unspent balances remaining at the end of 1973 in the building funds for the projects in Santiago, Bangkok and Addis Ababa. The Committee notes that its recommendations on the appropriations for the projects in Bangkok and Addis Ababa would modify the schedules of budgetary provisions provided for in General Assembly resolution 2894 (XXVI); the Assembly may wish to decide at a later stage whether formally to endorse revised schedules.

7-9 Chapters VI, VII and VIII of section 7 provide for alteration, improvement and major maintenance - as distinct from new construction - at Headquarters, Geneva and Addis Ababa respectively.

7-10 Under chapter VI the Secretary-General proposes fifteen projects at Headquarters estimated to cost \$244 400, considerably less than the appropriation for 1972 and obligations in 1971 for similar purposes. One of those projects - the modernization of two radio studios at a cost of \$45 000 - is part of the programme of modernization and replacement of equipment and installations for the Office of Public Information (A/C.5/1320/Rev.1 and Add.1). Another proposed project is the installation of a transparent noise barrier in the General Assembly hall (\$10 000). The Advisory Committee is not convinced that the barrier would be wholly advantageous, from an aesthetic as well as practical point of view. For those reasons, and taking into account the efforts being made in other areas to eliminate less essential expenditure by the United Nations, the Committee recommends that this project should not be carried out.

7-11 Under chapter VII the Secretary-General requests an appropriation of \$1 281 000 as an instalment of the cost of a long-term programme of maintenance and improvement at the Palais des Nations which was authorized in 1965 and is due to be completed in 1974. In resolution 2892 (XXVI) of 22 December 1971 the General Assembly fixed the level of the annual instalments for 1972, 1973 and 1974 at \$1 238 000, reflecting the exchange rate changes which occurred during 1971; the Secretary-General now estimates that because of a further adjustment in the United Nations accounting rate on 1 January 1972 an additional amount of \$128 906 will be

needed in 1972-1974 to finance the improvement and maintenance programme, with a consequent increase in the annual instalments from \$1 238 000 to \$1 281 000.

7-12 Under an agreement with the Government of Ethiopia the title to Africa Hall, Addis Ababa, and the land on which it stands passed in 1971 to the United Nations. <sup>41/</sup> The Organization thus became responsible for the operation of the premises as a whole, and the Secretary-General is therefore proposing, under chapter VIII of section 7, two maintenance and improvement projects which he considers of high priority: the automation of the four main elevators (\$34 000), and the replacement of flooring tiles and carpeting (\$11 000). The Advisory Committee does not recommend any change in these estimates.

7-13 In the light of its observations in paragraphs 7-5, 7-6, 7-7 and 7-10 above, the Advisory Committee recommends that the estimate for section 7 be reduced by \$1 910 000, from \$14 875 000 to \$12 965 400.

Recapitulation of reductions recommended:

Section 7. Construction, alteration, improvement and major  
maintenance of premises

\$

A. CONSTRUCTION

Chapter III. Headquarters of the Economic Commission for Latin America, Santiago . . . . .	200 000
Chapter IV. Headquarters of the Economic Commission for Asia and the Far East, Bangkok . . . . .	800 000
Chapter V. Headquarters of the Economic Commission for Africa, Addis Ababa . . . . .	900 000

B. ALTERATION, IMPROVEMENT AND MAJOR MAINTENANCE

Chapter VI. United Nations Headquarters, New York . . . . .	10 000
Total . . . . .	<u>1 910 000</u>

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<sup>41/</sup> In accordance with General Assembly resolution 2745 (XXV) of 17 December 1970.

# PART IV. EQUIPMENT, SUPPLIES AND SERVICES

## Section 8. Permanent equipment

	\$
Estimate submitted by the Secretary-General . . . . .	998 200
Estimate recommended by the Advisory Committee . . . . .	922 800
1972 (appropriation) . . . . .	1 413 300
1971 (obligations) . . . . .	905 191

8-1 Section 8 provides for the acquisition and replacement of furniture and equipment at all offices of the United Nations except UNIDO, the special missions, the field offices of UNHCR and the International Court of Justice, whose requirements are included in their respective budget sections. Ordinary furniture and equipment items for UNCTAD are budgeted for under this section, but special items are provided for under section 15.

8-2 As can be seen from the table below, which gives a breakdown of the section by office, the initial estimate of \$998 200 is \$415 100 less than the appropriation for the current year. Most of the reduction occurs at Headquarters, but there are other noteworthy reductions at the Economic Commissions for Latin America and for Africa, and the Economic and Social Office in Beirut. The estimate for the Economic Commission for Asia and the Far East is much greater than the appropriation for 1972.

Table 10. Permanent Equipment: analysis by office  
and by year for 1971, 1972 and 1973

<u>Office</u>	<u>1973</u> <u>estimates</u>	<u>1972</u> <u>appropri-</u> <u>ations</u>	<u>1971</u> <u>oblig-</u> <u>ations</u>	<u>Increase or</u> <u>(decrease)</u> <u>between 1972</u> <u>and 1973</u>
	\$	\$	\$	\$
Headquarters . . . . .	406 700	779 000	467 215	(372 300)
Geneva (including ECE) . . . .	397 000	397 400	270 171	(400)
Information centres . . . . .	40 000	40 000	45 011	-
United Nations Economic and Social Office at Beirut . .	9 300	14 700	8 501	(5 400)
ECAFE . . . . .	69 300	19 800	26 900	49 500
ECLA . . . . .	39 900	113 300	44 942	(73 400)
ECA . . . . .	36 000	49 100	42 451	(13 100)
TOTAL, section 8 . . . . .	<u>998 200</u>	<u>1 413 300</u>	<u>905 191</u>	<u>(415 100)</u>

8-3 The estimate includes \$366 800 for additional equipment (acquisitions) and \$631 400 for the replacement of existing equipment; table 11 below provides a breakdown by chapter. There are reductions under all chapters except chapter III (Internal reproduction equipment), the largest being for chapter IV (Telecommunications equipment). The latter reduction which occurs mainly at Headquarters, is due to the fact that no request is included for the programme of modernization and replacement of equipment and installations for the Office of Public Information. On the basis of a report submitted by the Secretary-General (A/C.5/1320/Rev.1 and Add.1), the General Assembly at its twenty-sixth session appropriated \$347 500 in the 1972 budget for the first phase of this programme, including \$292 500 under section 8. 42/ At the same time the Assembly decided to give further consideration at its twenty-seventh session to implementing the balance of the programme; should it decide to proceed along the lines proposed in the Secretary-General's report the amount involved for 1973 would be \$329 500, of which \$314 500 would fall under section 8 and the balance of \$15 000 under section 7. 43/ In that case total requirements under section 8 would be only about \$100 000 less than the funds appropriated for 1972.

Table 11

<u>Chapter</u>	<u>1973 estimates</u>			<u>1972 appropri- ations</u>	<u>1971 Obli- gations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	<u>Acqui- sitions</u>	<u>Replace- ments</u>	<u>Totals</u>			
	\$	\$	\$	\$	\$	\$
I. Furniture and fixtures . . .	93 800	168 500	262 300	359 100	181 733	(96 800)
II. Office equipment . .	62 500	177 600	240 100	272 800	222 058	(32 700)
III. Internal reproduction equipment . .	36 300	98 700	135 000	124 100	206 673	10 900
IV. Telecommunications equipment . .	100 600	94 400	195 000	439 600	147 968	(244 600)
V. Transportation equipment . .	5 800	50 300	56 100	72 700	55 490	(16 600)
VI. Other equipment	67 800	41 900	109 700	145 000	91 269	(35 300)
TOTAL . .	<u>366 800</u>	<u>631 400</u>	<u>998 200</u>	<u>1 413 300</u>	<u>905 191</u>	<u>(415 100)</u>

42/ Resolution 2897 (XXVI) of 22 December 1971.

43/ See also para. 7-10 above.

8-4 The Advisory Committee was informed that the proposed acquisition under chapter II of two bookkeeping machines for the Cashier's Office at Headquarters would in time eliminate the need for one staff member in that Office. Account has been taken of this in the Advisory Committee's recommendation on chapter III of section 3.

8-5 The estimate for the Geneva office, which is about the same as the 1972 appropriation, includes \$85 000 for special items of furniture and equipment for the new wing of the Palais des Nations. Since the conference area of the new wing is not expected to be in normal use before 1974 the Advisory Committee considers that some of the items involved - in particular certain equipment for the two bars, which is proposed under chapter VI - will not be required during 1973 and doubts that the amount requested will be needed in full. Furthermore, the Committee does not believe that a separate appropriation is warranted under chapter VI of this section to purchase tools related to the programme of maintenance and improvement to the Palais, a project costing some \$7 million over the period 1966-1974, financed under section 7 (see paragraph 7-11 above); it recommends deletion of the related estimate of \$4 000. Included in the estimate for the Geneva office under chapter IV (Telecommunications equipment) is an amount of \$19 000 for the purchase of an automatic error detector for the Telecommunications Relay Centre. In response to inquiries the Advisory Committee was informed that the Secretary-General is prepared to withdraw this request for 1973, pending a review of United Nations communications which is being carried out by a Secretariat task force and by the Joint Inspection Unit. The estimate should be adjusted accordingly.

8-6 At the Economic and Social Office in Beirut the reduction in the estimate for 1973 is due mainly to lower requirements for vehicles (chapter IV) and furniture and fixtures (chapter I); at the Economic Commission for Africa and the Economic Commission for Latin America there are significant reductions for furniture and fixtures, office equipment (chapter II), internal reproduction equipment (chapter III) and other equipment (chapter VI), the reductions being particularly marked in the case of ECLA. One of the items of additional equipment proposed for ECA is a minibus which the Advisory Committee was informed would replace vehicles which in the past have been rented to carry participants to meetings, and for field trips. Savings should therefore arise at ECA under section 10, chapter II (Rental and maintenance of equipment) (see paragraph 10-10 below).

8-7 Two large items explain the increase of about \$50 000 in the estimate for the Economic Commission for Asia and the Far East, compared with the appropriation for 1972: the acquisition and replacement of internal reproduction equipment (\$15 200), for which no provision was made in 1972, and the modernization of the radio station which serves as a link in the United Nations radio network (\$32 400). The latter project, which is recorded under chapter IV as an item of acquisition, is in fact intended in part to replace equipment which was destroyed by fire some years ago. The Advisory Committee was informed that because of delays in the construction of the new United Nations building in Bangkok (see paragraph 7-7 above) the Secretary-General now expects that only about half this estimate is actually likely to be needed in 1973; the Committee accordingly recommends that the appropriation be reduced to \$16,000.

8-8 While the initial estimates for section 8 cannot be regarded as extravagant, the Advisory Committee is of the view that in circumstances when the pressures on

the budget are relatively great there would be justification in cancelling or deferring the purchase of certain items which would be considered reasonable or desirable in more favourable conditions. Accordingly, in addition to its other recommendations set out in paragraphs 8-5 and 8-7 above, the Committee recommends a global reduction of \$36 000 in the estimate under section 8, to be applied mainly to the acquisitions programme and distributed among all offices.

Reduction recommended:

	\$
Section 8. Permanent equipment . . . . .	75 400

Section 9. Maintenance, operation and rental of premises

	\$
Estimate submitted by the Secretary-General . . . . .	7 452 500
Estimate recommended by the Advisory Committee . . . . .	7 217 500
1972 (appropriation) . . . . .	6 897 900
1971 (obligations) . . . . .	6 676 401

9-1 The estimate under this section provides for contractual services (\$3 136 500), utilities (\$1 862 000) and other expenses, mainly rental of premises and maintenance supplies and services (\$2 454 000). The total of \$7 452 500 is \$554 600 greater than the appropriation for 1972 and \$776 099 more than obligations in 1971. As indicated in the breakdown by office location provided in table 12 below, most of the increase arises at Geneva.



Table 12. Maintenance, operation and rental of premises:  
analysis by office and by year for 1971, 1972  
and 1973

<u>Office</u>	<u>1973 estimates</u>	<u>1972 appropria- tions</u>	<u>1971 obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>	<u>Increase or (decrease) between 1971 and 1973</u>
	\$	\$	\$	\$	\$
Headquarters . . . . .	5 720 000	5 608 600	5 589 783	111 400	130 217
Geneva (including ECE) . . . . .	1 245 000	796 300	646 995	448 700	598 005
Information centres . . . . .	120 000	110 000	111 873	10 000	8 127
United Nations Economic and Social Office at Beirut . . . . .	39 000	36 000	33 504	3 000	5 496
ECAFE . . . . .	111 500	108 000	98 141	3 500	13 359
ECLA . . . . .	146 000	158 000	118 141	(12 000)	27 859
ECA . . . . .	71 000	81 000	77 964	(10 000)	(6 964)
TOTAL, section 9 .	<u>7 452 500</u>	<u>6 897 900</u>	<u>6 676 401</u>	<u>554 600</u>	<u>776 099</u>

9-2 At Headquarters the increase of \$130 217, compared with obligations in 1971, is attributable mainly to utilities (up \$63 591), garbage removal (up \$35 000), supplies for maintenance of premises (up \$29 815), elevator operation and maintenance (up \$21 766) and cleaning (up \$22 295), offset in part by reductions for other items. The Advisory Committee notes from paragraph 9-3 of the estimates that the increase is attributed entirely to cost and price increases, the level of services being lower than it was in 1971.

9-3 There are two main reasons for the increase in estimated expenditure in Geneva, compared with obligations in 1971. In the first place, the Secretary-General has assumed that the office building of the new wing of the Palais des Nations will be in full use throughout 1973, and estimates the related expenditure for contractual services, utilities and other expenses at \$447 000, compared with obligations of only \$42 931 in 1971 and an appropriation of \$228 000 in 1972. However no requirements are foreseen for the rental of premises in Geneva, an item which cost almost \$137 000 in 1971. The second reason for the large increase in Geneva is a proposal to have the cleaning of the Palais done under contract, rather than by part-time staff employed by the United Nations; this change would increase costs under section 9 by \$235 000, but there would be reductions totalling \$183 000 under sections 3 (Salaries and wages), 4 (Common staff costs) and 10 (General expenses). Thus the net cost increase would amount to \$52 000.

9-4 The Secretary-General informed the Advisory Committee that his proposal to have all cleaning at the Palais des Nations done by contract reflects his concern that the United Nations might not be able to secure the necessary staff on a part-time basis. However, the Committee was not convinced that the change is necessary at this time, particularly since it will result in higher aggregate charges against the budget; the Committee therefore recommends that no change in the cleaning arrangements at Geneva be made in 1973. When it meets in Geneva in September of this year the Committee will pursue this question with representatives of the Secretary-General at the European office.

9-5 The Committee's recommendation in paragraph 9-4 above entails a reduction of \$235 000 in the estimate for section 9, and consequential adjustments in the estimates for sections 3, 4 and 10 (see paragraphs 3-19, 4-11 and 10-12).

9-6 The Advisory Committee was informed that no funds are requested in the estimates for 1973 for the operation of the new conference area at the Palais; although construction of this area is due to be completed in 1973, equipment will be installed and finishing work done during that year and the area is thus not expected to be in normal use before 1974.

9-7 Expenditure at all offices on rental of premises is expected to decline from about \$1 207 000 in 1971 to about \$1 083 000 in 1973; reductions at Geneva (see paragraph 9-3 above) and Headquarters totalling almost \$160 000 are partly offset by increases at the other offices, particularly Bangkok (where certain premises have had to be vacated to permit construction of a new office building) and the information centres.

9-8 The Advisory Committee continues to believe that the volume of stored United Nations documents can be reduced with consequential savings in the rental of warehousing space. The Committee notes that the Secretary-General has reviewed this question <sup>44/</sup> and hopes that his efforts will be intensified. Further, the Committee recalls its suggestion that the Secretary-General raise with Governments which do not already do so the possibility of providing free or subsidized accommodation for United Nations information centres; <sup>45/</sup> a similar approach might also be made to private or non-governmental organizations which have shown themselves interested in promoting and publicizing the work of the Organization.

Reduction recommended:

\$

Section 9. Maintenance, operation and rental of premises . . . . . 235 000

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<sup>44/</sup> ST/AI/189/Add.5. See also Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 181.

<sup>45/</sup> Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408) para. 181.

# Section 10. General Expenses

	\$
Estimate submitted by the Secretary-General . . . . .	6 297 200
Estimate recommended by the Advisory Committee . . . . .	6 200 000
1972 (appropriation) . . . . .	6 037 000
1971 (obligations) . . . . .	6 375 536

10-1 This estimate covers requirements for communications, rental and maintenance of equipment, and various supplies and services at Headquarters, Geneva, the information centres, the regional economic commissions and the Economic and Social Office at Beirut. Analyses by office and by chapter are given in table 13 below.

Table 13. General expenses: Comparison for 1971, 1972, 1973

<u>Office and Chapter</u>	<u>1973</u> <u>estimates</u>	<u>1972</u> <u>appropriations</u>	<u>1971</u> <u>obligations</u>	<u>Increase or</u> <u>(decrease)</u> <u>between 1972</u> <u>and 1973</u>
	\$	\$	\$	\$
<u>A. Analysis by office</u>				
Headquarters . . . . .	4 285 200	4 123 800	4 575 673	161 400
Geneva (including ECE) . . .	939 000	888 200	787 762	50 800
Information centres . . . .	280 000	272 000	280 362	8 000
Economic and Social Office at Beirut . . . . .	22 000	22 000	14 525	-
ECAFE . . . . .	162 000	167 000	149 933	(5 000)
ECLA . . . . .	291 000	255 000	254 048	36 000
ECA . . . . .	318 000	309 000	313 233	9 000
TOTAL, section 10 . . .	<u>6 297 200</u>	<u>6 037 000</u>	<u>6 375 536</u>	<u>260 200</u>

Table 13 (continued)

Office and Chapter	1973 estimates	1972 appropriations	1971 obligations	Increase or (decrease) between 1972 and 1973
	\$	\$	\$	\$
B. <u>Analysis by chapter</u>				
I. Communications . . .	2 340 000	2 127 000	2 157 825	213 000
II. Rental and maintenance of equipment . . .	957 000	916 000	1 048 827	41 000
III. Public information supplies and services . . . . .	1 521 000	1 518 800	1 471 887	2 200
IV. Other supplies and services . . . . .	512 200	464 700	705 352	47 500
V. Stationery and office supplies . . . . .	646 000	663 000	663 392	(17 000)
VI. Library books, supplies and services . . .	321 000	347 500	328 253	(26 500)
TOTAL, section 10 . .	6 297 200	6 037 000	6 375 536	260 200

10-2 The estimate for the section is \$260 200 above the appropriation for 1972. It is \$78 336 less than obligations in 1971 which, however, included \$58 261 for data processing forms (now budgeted under section 11) and \$289 019 for losses on exchange; if the 1971 total is adjusted to exclude those two items, the 1973 estimate will be seen to be \$268 944 above the 1971 obligations. The Secretary-General ascribes three-fifths of this increase to higher rates, prices and contractual salaries and to variations in the rates of exchange. The remaining two-fifths is accounted for by three items:

- (i) the proposal to lease a higher speed teleprinter circuit between New York and Geneva (\$25 000);
- (ii) increases in certain information activities (\$54 000);
- (iii) the occupancy of the extension to the Palais des Nations (\$18 000).

The Secretary-General indicates that certain negotiations on salaries and associated benefits of contractual personnel which were in progress at the time of the preparation of the initial estimates, are likely to result in additional requirements which would be reflected in revised estimates.

10-3 The Advisory Committee was informed that the proposed higher speed submarine cable between New York and Geneva, at a cost of \$60 000 a year, would not be used for linking the Computer Centre in New York with ICC Geneva. The cost of leasing a cable capable of handling computer data would be in the neighbourhood of \$150 000 a year, i.e. about \$90 000 more. After allowing, however, for savings on long-distance telephone calls to Geneva and on radio broadcast traffic, which could be carried on such a cable, the net extra cost would be in the neighbourhood of \$60 000. But there would be an offset against this figure if the cable was also used for UNDP and specialized agency traffic, against appropriate reimbursement to the United Nations.

10-4 In these circumstances the Advisory Committee recommends that the Secretary-General conduct a comprehensive examination of the optimum arrangements for a communication link between New York and Geneva. In such a review particular attention should be paid to whether the leasing of a link which can carry computer traffic would lead to fuller utilization of the capacity of ICC, Geneva with consequent savings in staff and other costs at the New York Computing Centre, bearing in mind the observations in the Committee's report on electronic data processing submitted to the General Assembly at its twenty-sixth session. 46/

10-5 Of the increase for information activities compared with the 1971 adjusted level, nearly half (\$24 000) is for the French edition of Objective: Justice; the remainder is largely accounted for by increased output of information material including visual aids in colour.

10-6 The increases attributable to the occupancy of the extension to the Palais des Nations cover telephone installation (\$10 000) and items for the expanded cafeteria (\$8 000).

10-7 As was stated in paragraph 10-2 above, increases in postal, telephone and other rates, contractual salary increases and variations in the rate of exchange account for three-fifths of the increase over the adjusted level for 1971. As unit prices rise, every effort should be made to reduce the volume of traffic. In this context the Advisory Committee views with concern the high cost of long-distance telephone calls between New York and Geneva (estimated at \$25 000 a year), despite the fact that the two offices are linked by teleprinter. The Committee recommends that control over such calls be tightened.

10-8 Another item in chapter I where savings should be possible is OPI pouches. The Advisory Committee believes that the material dispatched by OPI should be reviewed periodically bearing in mind the use to which it is put by the recipients and the interest it generates.

10-9 The estimate for chapter II includes \$36 000 for the continued rental of a magnetic ledger card accounting system for the Finance Division at Geneva. In paragraph 190 of its First Report on the Budget Estimates for the Financial Year 1972, the Advisory Committee invited the Secretary-General to "come to a decision as to whether the International Computing Centre can economically take over these accounting functions". 47/ The Committee urges that this study be carried out expeditiously and trusts that it will lead to lower equipment rental costs.

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46/ Ibid., Supplement No. 8A (A/8408/Add.1-30), document A/8408/Add.16, para. 15.

47/ Ibid., Supplement No. 8 (A/8408), para. 190.

10-10 In estimating requirements under chapter II at ECA the Secretary-General has not taken into account the savings on the rental of transportation equipment that will arise when the Commission has its own minibus (see paragraph 8-6 above). In the new circumstances the estimate of \$11 000 for this purpose can be substantially reduced.

10-11 The estimate for chapter III includes \$30 000 for the gross expenses related to the production and broadcasting of the United Nations Day concert at Headquarters. The Advisory Committee was informed that this budget presentation is a departure from past practice which was to include in section 10 the estimated net cost of the concert, after deducting the related revenue from television and radio companies. The Advisory Committee sees no strong reasons for the proposed change in presentation; accordingly it recommends that the estimate for the concert in section 10 be reduced to a net figure of \$15 000.

10-12 For the foregoing reasons the Advisory Committee is of the opinion that it should be within the Secretary-General's reach to reduce requirements under section 10 by over \$100 000. Bearing in mind, however, that the recommendations in paragraph 9-4 above on the cleaning arrangements at the Palais des Nations would entail restoring to section 10 the provision for cleaning supplies estimated by the Secretary-General in table 9-5 at approximately \$8 000, the Advisory Committee recommends that the estimate under section 10 be reduced by \$97 200 to \$6.2 million.

Reduction recommended:

	\$
Section 10. General expenses . . . . .	97 200

Section 11. Printing

	\$
Estimate submitted by the Secretary-General . . . . .	3 232 500
Estimate recommended by the Advisory Committee . . . . .	3 062 800
1972 (appropriation) . . . . .	3 039 700
1971 (obligations) . . . . .	3 132 773

11-1 Section 11 provides for all contractual printing expenses for 1973 except those relating to public information requirements other than books and periodicals (section 10), UNCTAD (section 15), UNIDO (section 16), UNHCR (section 18) and the International Court of Justice (section 19). Additional estimates for printing under those sections total \$512 000, distributed as follows:

	\$
Section 10 (General expenses) . . . . .	170 000
Section 15 (UNCTAD) . . . . .	117 000
Section 16 (UNIDO) . . . . .	155 000
Section 18 (Office of the UNHCR) . . . . .	25 000
Section 19 (International Court of Justice) . . . . .	45 000
TOTAL	512 000

11-2 As in the past, the cost of producing for sales purposes additional copies of the publications provided for under chapters II, III and IV are not shown under section 11 but as a charge against revenue from sales under Income section 4.

11-3 Table 14 below gives a breakdown by chapter of the estimates for 1973, the appropriation for 1972, and obligations in 1971. However the figures under

Table 14. Printing: analysis by chapter and  
by year for 1971, 1972 and 1973

	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
I. Official records . .	1 465 100	1 379 400	1 344 774	85 700
II. Recurrent publications . . .	1 049 000	1 104 000	959 676	(55 000)
III. Studies and reports	215 300	325 400	267 779	(110 100)
IV. Office of Public Information . . .	136 200	141 100	122 699	(4 900)
V. International Narcotics Control Board . . . . .	30 700	26 000	21 688	4 700
VI. Other printing . . .	105 000	108 300	119 175	(3 300)
VII. Deduction for internal reproduction . . .	(680 000)	(650 000)	(611 421)	(30 000)
VIII. Internal reproduction supplies . . . . .	911 200	942 500	908 403	(31 300)
Subtotal	3 232 500	3 376 700	3 132 773	(144 200)
- Reduction applied pursuant to General Assembly resolution 2836 (XXVI)	-	(337 000)	-	337 000
TOTAL	3 232 500	3 039 700	3 132 773	192 800

individual chapters for 1972 and 1973 are not directly comparable as the Secretary-General has not found it possible to distribute the reduction of \$337 000 applied to the 1972 appropriation following the General Assembly's decision (in its resolution 2836 (XXVI)) to reduce the global budgetary provision for documentation by \$1.25 million. Chapters I to VI represent the gross printing programme, to which the Secretary-General has applied a deduction under chapter VII being the estimated value, in terms of external costs, of the work to be printed internally.

11-4 In paragraph 11.5 of his estimates the Secretary-General states his intention to submit a progress report to the General Assembly at its twenty-seventh session on the documentation controls imposed within the Secretariat in response to resolution 2836 (XXVI) and the extent to which they have succeeded. When the Advisory Committee examined the estimates for section 11 (June 1972) the Secretary-General was still not in a position to indicate whether the 15 per cent reduction in documentation originating in the Secretariat (apart from meeting records), which is called for under that resolution, would in fact be attained. However, he did inform the Committee that a quota system had been introduced under which individual Secretariat units were being limited, to the extent practicable, to a volume of documentation equal to the 1970 level less 15 per cent. As far as the administration of the appropriation under section 11 was concerned, some difficulties had arisen but the Secretary-General was nevertheless hopeful of achieving the reduction of \$337 000 and thereby limiting obligations in 1972 to the approved level of \$3 039 700.

11-5 The Secretary-General informed the Committee that despite an expected average increase of about 10 per cent in printing costs, the estimate for 1973 under section 11 had been held to a level about 6.3 per cent above the appropriation for 1972; the estimates thus presupposed a further reduction in the volume of documentation below the reduced level authorized for 1972. That reduction, however, is of the order of only 3.5 per cent; that is a very modest figure, bearing in mind that in its report which formed the basis for the Assembly's action last year the Joint Inspection Unit had looked ahead to an eventual reduction in documentation of 50 per cent. <sup>48/</sup> Nor does it go very far towards meeting the Advisory Committee's own view, expressed in its report on documentation to the Assembly at its twenty-sixth session, that "the present trend can be reversed and the volume of documentation can be reduced progressively to a point where it no longer impedes the smooth working of the Organization". <sup>49/</sup> Nevertheless, the Committee does not at this stage recommend a global reduction in the estimate for section 11 in anticipation of savings on documentation beyond the levels which the Secretary-General has estimated. The Committee will however examine the progress report which the Secretary-General intends to submit to the Assembly at its twenty-seventh session, and consider whether the provisions for documentation in the 1973 estimates as a whole can be further reduced.

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<sup>48/</sup> A/8319 and Corr.1, part A, recommendation 3.

<sup>49/</sup> A/8532, para. 62.



11-6 The estimates do not take account of any reductions in the programme of recurrent publications which might be recommended by intergovernmental bodies on the basis of the report submitted in 1971 by the Joint Inspection Unit. The Advisory Committee recalls that the Unit envisaged significant savings were its recommendations on recurrent publications to be implemented, 50/ and trusts that all intergovernmental bodies will co-operate to achieve that result. In paragraph 11.23 of his estimates the Secretary-General points to a further reason for ensuring that all recurrent publications serve a purpose commensurate with their cost: the fact that in a stabilized printing budget such publications (especially statistical publications) absorb a growing share of the printing funds available to the Department of Economic and Social Affairs, leaving "a constantly dwindling amount" available for printing studies and reports. It should be borne in mind, however, that even in times of rising costs, the expense of producing publications can be reduced by making them shorter. Assuming that the intergovernmental bodies recommend modifications to the programme of recurrent publications the budgetary implications should be reflected in revised estimates submitted to the General Assembly at its twenty-seventh session.

11-7 Under chapter I (Official records) the Secretary-General requests an amount of \$1 465 100, which is \$85 700 more than the amount initially appropriated for 1972, before the application of the over-all reduction of \$337 000 to the section as a whole. The items mainly responsible for the increase are the records of the Security Council and its commissions and committees (\$63 600 above the initial appropriation for 1972), and documents of the Library (up from \$10 400 to \$46 900). The Advisory Committee was informed that in the case of the Security Council the reason is the growing volume of material which must be printed in the Council's records; the Committee nevertheless believes that this estimate has been overstated and accordingly recommends an appropriation of \$220 500, which is slightly more than actual obligations in 1971. The increase for the Library reflects the inclusion in this chapter of provision for printing the UNDEX series of indexes. Hitherto this series has been produced internally on an experimental basis and its cost has not appeared in the budget; now that the system, which is computer-assisted, has become fully operational the Secretary-General proposes to increase the number of issues and to charge the cost (\$36 500) to chapter I, while at the same time increasing the deduction under chapter VII by the same amount, since this work will continue to be done internally.

11-8 Much of the expenditure under this chapter is for printing meeting records, resolutions and similar texts which cannot readily be shortened by the Secretary-General; it is therefore difficult to hold down the costs of their publication, given the rise in printing rates. Nevertheless the Secretary-General is in a position to limit the length of documents originating in the Secretariat which are subsequently printed in the annexes, and also to make sure that the annexes contain only such documents as are really necessary. The Advisory Committee is gratified to note that in fact the volume of annexes for the General Assembly, the Economic and Social Council and the Trusteeship Council which are provided for in the 1973 estimates is significantly lower than had been provided for in 1972. In the belief that further reductions are within reach the Committee recommends a reduction of \$40 100 in the estimate for chapter I. Taking into account its recommendation in paragraph 11-7 above the appropriation would thus amount to \$1 400 000.

11-9 Chapter II provides for recurrent publications, to which reference is made in paragraph 11-6 above. The main feature of the estimate of \$1 049 000 is a large reduction in the provision for the Office of Legal Affairs, reflecting the Secretary-General's intention to print in 1973 only 36 volumes of the Treaty Series, rather than the 56 volumes provided for in the budget for 1972. The Secretary-General is studying ways of rationalizing the arrangements for publishing international treaties and agreements in the Series, (A/C.5/1407; A/8408/Add.30) and intends to report on the subject to the General Assembly at its twenty-seventh session; when it examines that report the Advisory Committee will consider whether the cost of the Series can be reduced.

11-10 Pending its consideration of decisions by intergovernmental bodies on the recommendations of the Joint Inspection Unit on recurrent publications the Advisory Committee strongly urges the Secretary-General to take such action as lies within his authority to reduce their cost by eliminating material of marginal value, assigning printing to low-cost areas, and streamlining distribution procedures. The Committee recommends that the estimate for chapter II be reduced by \$49 000 to \$1 000 000.

11-11 The estimate of \$215 300 for chapter III (Studies and reports) is about 30 per cent less than the initial appropriation for 1972 (which was later reduced), and about \$50 000 less than obligations in 1971. The Secretary-General informed the Advisory Committee that this was the area most affected by the reduction applied to the printing budget in pursuance of General Assembly resolution 2836 (XXVI). For almost all offices the estimates are significantly lower than the initial appropriations for 1972, the exceptions being the Economic Commission for Asia and the Far East and the Division of Human Rights. There is an increase of about \$7 000 for ECAFE, because its publications programme for 1973 is larger than that for 1972. In the case of the Division of Human Rights the estimate of \$30 600 is for printing two Secretariat publications as part of the activities to celebrate the twenty-fifth anniversary of the Universal Declaration of Human Rights. Since such activities will be the subject of a report by the Secretary-General to the Assembly, and depends upon decisions to be taken, at its twenty-seventh session, 51/ the Advisory Committee considers that pending those decisions the amount should be deleted from the initial estimates.

11-12 Chapter IV (Office of Public Information) provides for the printing of two publications: the Yearbook of the United Nations, and the United Nations Monthly Chronicle (the latter published in three languages). The aggregate cost of printing the Chronicle shows a reduction of about \$10 000, attributable to lower expenses for the French edition. The cost of printing the Yearbook is up from \$40 000 (the initial estimate for 1972) to \$47 000. The Advisory Committee was informed that in response to its recommendations of last year 52/ the Secretary-General had reviewed the free distribution list for the English edition of the Chronicle and was reviewing the lists for the French and Spanish editions. He had also made strenuous efforts to promote the sale of the Chronicle, although the results had been disappointing.

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51/ In accordance with General Assembly resolution 2860 (XXVI) of 20 December 1971.

52/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 199.

11-13 The increase in the estimate for chapter V (International Narcotics Control Board) reflects the Board's larger publishing programme in 1973 than in 1972 (nine titles instead of seven). Under chapter VI (Other printing) provision is made at about the same level as for 1972 for such items as letterheads, forms and invitation cards, as well as for reprints of publications (\$40 000); in the light of the present budgetary constraints the Advisory Committee recommends that the appropriation be limited to \$100 000, a reduction of \$5 000.

11-14 The estimate under chapter VII (Deduction for internal reproduction) represents the value of that part of the gross printing programme (that is, chapters I to VI) which is carried out by the United Nations itself and not by commercial printers. For 1973 the Secretary-General estimates the value of this work at \$680 000, which is \$30 000 more than the figure initially approved by the General Assembly for 1972 (which did not reflect the global reduction of \$337 000 later applied to section 11). As noted by the Secretary-General in paragraph 11.33 of the estimates, the amount under chapter VII is far from representing the total value of documentation and similar material produced internally, which in 1971 was about \$1.5 million, leaving aside the vast volume of documents (391 million page units) produced for meetings and conferences. Aggregate internal output in 1971 was 556 million page units, compared with 548 million in 1970 and 512 million in 1969.

11-15 The amount of the gross printing programme which can be done internally depends primarily on the volume of other reproduction work to be done in any given year. Since the latter must inevitably be affected by the measures decided by the General Assembly in its resolution 2836 (XXVI), the Advisory Committee believes that the amount of internal capacity released in 1973 for relief of the contractual printing programme may be greater than estimated. Furthermore, in costing the work to be done internally account should be taken of the 10 per cent increase in contractual printing costs. Accordingly, the Advisory Committee recommends that the deduction under chapter VII be set at \$700 000.

11-16 Despite the transfer to chapter VIII (Internal reproduction supplies) of a \$40 000 item for data processing forms which was previously charged to section 10 (General expenses), the estimate for this chapter is \$31 300 less than the initial estimate approved for 1972.

11-17 In past years the Advisory Committee has called the attention of the Secretary-General to the desirability of extending the geographic distribution of printing contracts at the lowest cost consistent with the standards which must be maintained. <sup>53/</sup> This subject is dealt with in a number of aspects in the report of the Publications Board to the Secretary-General on its work in 1971, which shows that in that year printing financed under sections 2 and 11 of the budget was carried out in 14 countries, the Headquarters host country accounting for 37.3 per cent of the work in terms of cost. Printing contracts financed under other sections of the budget were placed in a further 21 countries. The Board reports that efforts to widen the geographic spread of printing contracts have not yielded the results expected, mainly because in countries where the language of a United Nations publication is not known by the typesetter the execution of the order often involves unacceptable delays. The Board's report makes it clear, however, that more printing could be contracted in low-cost areas if the author departments submitted their manuscripts on time. The Advisory Committee fully agrees with the Board that the Organization should not have to bear additional expenditure in cases where that could be avoided by proper planning and timely submission of manuscripts.

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<sup>53/</sup> See for example Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 202.

11-18 The Committee suggests that the Secretary-General inquire whether economies could be effected were the United Nations to supply documents to depository libraries in microform (microfiche, microfilm) rather than in full printed form.

Recapitulation of reductions recommended:

Section 11. Printing

Chapter I.	Official records . . . . .	65 100
Chapter II.	Recurrent publications . . . . .	49 000
Chapter III.	Studies and reports . . . . .	30 600
Chapter VI.	Other printing . . . . .	5 000
Chapter VII.	Deduction for internal reproduction . . .	20 000 <sup>a/</sup>
Total . . .		<u>169 700</u>

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<sup>a/</sup> Addition to the deduction to be applied under this chapter.

## PART V. TECHNICAL PROGRAMMES

V-1 The estimates for the three constituent sections of part V are not broken down either by project or by object of expenditure; they are, in effect, in the nature of lump sum provisions. In the case of section 14, Industrial Development, specific programme proposals were submitted to and approved by the Industrial Development Board at its sixth session (IDB/99). The activities to be financed out of sections 12 and 13 will not be the subject of intergovernmental review before the General Assembly is called upon to appropriate funds for those two sections, but they will be reported ex post facto to the Governing Council of UNDP. The Advisory Committee trusts that in the event of the introduction of a biennial budget cycle and of a medium-term plan, the procedures governing part V will, to the extent possible, be adapted to the requirements of planning and programming. In the absence of any details on the constituent elements of the 1973 estimates for sections 12-14, the Advisory Committee cannot offer any comments thereon. Its recommendation on those sections must therefore be regarded as transmittal of the estimates to the General Assembly for appropriate action.

### Section 12. Regional and subregional advisory services

	\$
Estimate submitted by the Secretary-General . . . . .	1 825 000
Estimate recommended by the Advisory Committee . . . . .	1 825 000
1972 (appropriation) . . . . .	1 825 000
1971 (obligations) . . . . .	- <u>a/</u>

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a/ Included in section 13 of the budget for 1971.

12-1 This section derives from General Assembly resolution 2803 (XXVI) of 14 December 1971 in which the Assembly decided "to establish a separate section in the United Nations regular budget to provide for a unified system of regional and subregional advisory services earmarked for the operations of the regional economic commissions and the United Nations Economic and Social Office at Beirut (UNESOB) and to transfer to that section the existing regional advisory services at present under section 13 of the budget". The 1972 appropriation reflected the amounts earmarked for those services in 1971. The 1973 estimate is maintained at the 1972 level.

12-2 Under the terms of General Assembly resolution 2803 (XXVI) the respective amounts under this section are to be provided directly to and be administered by the regional economic commissions and the Beirut office.

Section 13. Economic development, social development, public administration, human rights advisory services and narcotic drugs control

\$

Estimate submitted by the Secretary-General . . . . .	5 408 000
Estimate recommended by the Advisory Committee . . . . .	5 408 000
1972 (appropriation) . . . . .	5 408 000
1971 (obligations) . . . . .	5 407 000

13-1 The estimate of \$5,408,000 for section 13 is in the same amount as the corresponding appropriation for 1972. In accordance with the programming and budgetary procedures recommended by the Economic and Social Council in resolution 1434 (XLVII) and approved by the General Assembly in resolution 2514 (XXIV), the estimate is divided into chapters reflecting targets for the five major fields of activity covered by the section. The proposed breakdown by chapter for 1973 as compared with the 1972 appropriations and obligations in 1971 is given in table 15 below.

Table 15

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obliga- tions</u>	<u>Increase or (decrease) between 1973 and 1972</u>
I. Economic development . .	2 000 000	2 145 000	2 758 000	(145 000)
II. Social development . . .	1 858 000	1 933 000	1 405 000	(75 000)
III. Public administration. .	1 200 000	1 100 000	883 000	100 000
IV. Human rights advisory services . . . . .	250 000	205 000	261 000	45 000
V. Narcotic drugs control .	100 000	25 000	100 000	75 000
TOTAL, section 13 . .	<u>5 408 000</u>	<u>5 408 000</u>	<u>5 407 000<sup>a/</sup></u>	<u>-</u>

a/ Includes regional and subregional advisory services in an amount of \$1,825,000.

The variations from year to year are attributed by the Secretary-General to changes in the requests received from the developing countries.

13-2 The programming and budgetary procedures referred to in the preceding paragraph vest in the Secretary-General the authority to approve individual projects to be financed under this section, based on requests by Governments. General Assembly resolution 2803 (XXVI) specifies, however, that the operations "shall be concentrated substantially to support country programmes of the least developed among the developing countries as well as regional and subregional programmes of special interest to those countries".

13-3 At the time the Advisory Committee examined the Secretary-General's initial budget estimates for 1973, his representatives informed the Committee that the details of the use to which the funds requested under section 13 would be put were not yet available.

#### Section 14. Industrial development

\$

Estimate submitted by the Secretary-General . . . . .	1 500 000
Estimate recommended by the Advisory Committee . . . . .	1 500 000
1972 (appropriation) . . . . .	1 500 000
1971 (obligations) . . . . .	1 498 597

14-1 This section provides for technical assistance in industrial development, as envisaged in General Assembly resolution 2298 (XXII) of 12 December 1967, and as recommended by the Industrial Development Board at its sixth session.

PART VI. UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Section 15. United Nations Conference on Trade and Development

	\$
Estimate submitted by the Secretary-General . . . . .	12 500 200
Estimate recommended by the Advisory Committee . . . . .	12 372 200
1972 (appropriation) . . . . .	12 362 900
1971 (obligations) . . . . .	10 322 755

15-1 Section 15 provides for UNCTAD, which under General Assembly resolution 1995 (XIX) of 30 December 1964 was established as an organ of the Assembly. The 1973 estimate of \$12 500 200, which includes the United Nations contribution towards the cost of the UNCTAD/GATT International Trade Centre, is \$137 300 more than the appropriation for 1972, an increase of about 1.2 per cent. Table 16 below provides a comparative breakdown by chapter of the estimate for 1973, the appropriation for 1972, and obligations in 1971.

Table 16. United Nations Conference on Trade and Development

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropriations</u>	<u>1971 obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
A. <u>Sessions of the Conference and of expert and advisory bodies</u>				
I. Third session of the Conference . . . . .	-	1 116 000	152 709	(1 116 000)
II. Sessions of expert and advisory bodies . . . . .	84 000	73 000	79 003	11 000
	<u>84 000</u>	<u>1 189 000</u>	<u>231 712</u>	<u>(1 105 000)</u>



Table 16 (continued)

<u>Chapter</u>	<u>1973 Estimates</u>	<u>1972 Appropriations</u>	<u>1971 Obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
<b>B. <u>Secretariat of UNCTAD</u></b>				
III. Salaries and wages . .	5 412 200	5 061 470	4 434 277	350 730
IV. Common staff costs . .	1 303 000	1 193 230	1 021 698	109 770
V. Travel of staff . . .	230 000	200 000	228 623	30 000
VI. Hospitality . . . . .	10 000	10 000	8 982	-
VII. Permanent equipment . .	15 000	16 000	17 085	(1 000)
VIII. General expenses . . .	396 000	358 500	363 251	37 500
IX. Printing . . . . .	117 000	131 400	106 373	(14 400)
	<u>7 483 200</u>	<u>6 970 600</u>	<u>6 180 289</u>	<u>512 600</u>
<b>C. <u>Services provided by other United Nations offices</u></b>				
X. Salaries and wages . .	3 262 000	2 806 300	2 744 789	455 700
XI. Common staff costs . .	551 000	416 900	442 565	134 100
	<u>3 813 000</u>	<u>3 223 200</u>	<u>3 187 354</u>	<u>589 800</u>
<b>D. <u>International Trade Centre</u></b>				
XII. United Nations share of the International Trade Centre costs . .	1 120 000	980 100	723 400	139 900
Total, section 15 . .	<u>12 500 200</u>	<u>12 362 900</u>	<u>10 322 755</u>	<u>137 300</u>

15-2 The expenditure foreseen for UNCTAD in 1973 will be partly offset by income which the Secretary-General estimates at \$2 700 000, broken down as follows: \$1 718 000 from staff assessment, credited to Income section 1 of the budget; \$12 000 from the reimbursement paid by the International Lead and Zinc Study Group for services provided by UNCTAD, credited to Income section 3 (General income); and \$970 000 in contributions from States which are members of UNCTAD but not Members of the United Nations, similarly credited to Income section 3. Income also accrues to the International Trade Centre, but this has been taken into account in calculating the United Nations contribution to the Centre's budget for 1973.

15-3 In contrast to the 1972 budget, the estimates for 1973 contain no provision for sessions of the Conference. However, the saving on this item of \$1 116 000 has been almost completely offset by considerably higher expenditure in other areas, principally for salaries and wages and common staff costs. The main reason for that higher expenditure is that the Secretary-General estimates that it will cost about \$996 500 more in 1973 to maintain the UNCTAD establishment and contractual services at the level of 1972. In addition there is an increase of about \$140 000 in the United Nations contribution to the budget of the Trade Centre.

15-4 In accordance with the policy followed throughout the budget estimates for 1973, and described in paragraphs 32 to 34 above, the estimates for UNCTAD exclude provision for certain posts related to technical assistance activities financed from the United Nations Development Programme. In the past such posts were charged to the regular budget with offsetting deductions in Income sections 1 and 2. In UNCTAD five posts (two Professional and three General Service) are affected by this change in presentation, and the amount involved is \$100 800. On a comparable basis the increase in the estimate for 1973 is therefore not \$137 300, as indicated in the table, but about \$238 000, or a little less than 2 per cent. If the costs of the third session of the Conference are left out of account the increase is of the order of \$1.35 million, or about 11 per cent.

15-5 The estimates were drawn up before the third session of the Conference, which took a number of decisions with financial implications for 1973; the Advisory Committee was informed that those implications may be considerable. Nor do the estimates take account of any net additions to UNCTAD's programme of work which may be decided upon by the Trade and Development Board at its twelfth session late in 1972. Should the Secretary-General find it necessary to submit revised estimates the Advisory Committee will consider them later this year.

#### A. Sessions of the Conference and of expert and advisory bodies

15-6 The estimate under this part of the budget amounts to \$84 000; it provides for two sessions of the Advisory Committee to the Trade and Development Board and to the Committee on Commodities (\$15 000), and for seven meetings of ad hoc expert groups (\$69 000). This is a slightly larger programme than was provided for in 1972, when the appropriation was \$73 000.

## B. Secretariat of UNCTAD

15-7 The estimate under Part B provides for the secretariat of UNCTAD and comprises chapters III to IX of section 15.

15-8 The increase in the estimate under chapter III (Salaries and wages) is due almost entirely to article (i), Established posts; the estimates for articles (ii) to (iv) (Consultants, Temporary assistance, and Overtime and night differential) are only marginally greater than the appropriations for the current year. Although no new posts are proposed and only one reclassification is requested, the estimate for article (i) exceeds that for 1972 by \$348 730. Moreover, as noted above, the estimate excludes provision for the five posts which are now financed directly from UNDP resources. Higher salary costs related to an increase in the cost of living in Geneva and a change in the dollar/Swiss franc exchange rate are mainly responsible for this increase. The single reclassification mentioned above is for the post of head of the Technical Assistance Unit of UNCTAD which would pass from the D-1 to the D-2 level. On the basis of the justifications presented to it the Advisory Committee does not object to this reclassification.

15-9 In its discussion of the estimates for section 3 of the budget (see paragraph 3-11 above) the Advisory Committee has dealt with the impact of the temporary suspension of recruitment to posts at the Professional and higher levels which was instituted at the end of January 1972, and its implications on budgetary requirements in 1973 for established posts. The Committee was informed that UNCTAD could expect to have 24 to 29 vacancies at the Professional and higher levels at the end of 1972, depending on when normal recruitment is resumed. Since the estimates presuppose an average of eight to nine vacancies by way of normal staff turnover, the number of "exceptional" vacancies, attributable mainly to the suspension of recruitment might be of the order of 15 to 20. For the same reasons as given in paragraph 3-11 above the Advisory Committee considers that a deduction can be applied to the estimated budgetary requirements of UNCTAD for established posts, in the amount of \$90 000.

15-10 Compared with the appropriation for 1972, there is an increase of 9 per cent in the estimate for common staff costs (chapter IV). Should the General Assembly accept the Committee's recommendation on chapter III in paragraph 15-9 above would be a consequential reduction of \$18 000 in requirements for chapter IV.

15-11 There is an increase of \$30 000 in estimated requirements under chapter V, Travel of staff, due entirely to an increase in the estimate for travel on home leave. The Secretary-General has maintained the estimates for representation travel, travel to UNCTAD meetings, and other official travel at the same levels as approved for the current year, despite some increases in fares and subsistence rates. The Advisory Committee believes that some reduction in travel expenses can be expected in 1973 in view of the more stringent control measures introduced by the Secretary-General in 1972. For that reason, and to take account of the non-exercise of excess baggage entitlements (see paragraph 31 (c) above) the Committee recommends that the estimate for chapter V be reduced by \$20 000.

15-12 Under chapter VII (Permanent equipment) the Secretary-General is requesting \$15 000 to buy storage and related equipment for UNCTAD's Registry and the data processing and reference units. The Advisory Committee notes from paragraph 15.29

of the estimates that in the interest of economy, all replacement of existing office equipment has been deferred and that the amount requested is \$1 000 less than the 1972 appropriation.

15-13 Under chapter VIII the Secretary-General estimates an increase of \$37 500 for general expenses, which include rental and maintenance of equipment, communications, and supplies and services. Although the Advisory Committee recognizes that there have been price increases which affect several items under this chapter, it believes that given the present budgetary constraints the Secretary-General should make the utmost efforts to compensate for such increases by achieving economies in other areas.

15-14 Expenditures on printing (chapter IX) are related to the volume of documentation produced by UNCTAD; the Advisory Committee notes that the estimate for 1973 is \$14 400 less than the 1972 appropriation; it nevertheless exceeds actual obligations in 1971 by about 10 per cent.

#### C. Services provided to UNCTAD by other United Nations offices

15-15 This part of section 15, which comprises chapters X and XI, provides for salaries and wages (including temporary assistance and overtime) and common staff costs (including home leave travel), for staff furnished to UNCTAD by other United Nations offices to provide administrative, conference and miscellaneous services.

15-16 The Secretary-General proposes to establish six new General Service posts which, although required on a full-time basis throughout the year, have hitherto been charged to temporary assistance. He also proposes the reclassification of one General Service post to the P-1 level. Thus the number of established posts financed from chapters X and XI would move from 180 (63 at the Professional level and above, 117 General Service) to 186 (64 at the Professional and higher levels, 122 General Service).

15-17 Despite the transfer from temporary assistance credits of provision for the six General Service posts referred to above, the estimate for temporary assistance in 1973 under chapter X is greater by about \$131 000 or 21 per cent than the appropriation for 1972. The Advisory Committee was informed that this situation reflects the fact that leaving aside the third session of the Conference, the programme of meetings of UNCTAD is much heavier in 1973; it also takes account of increases in salary rates for short-term staff. Given the tentative nature of the programme of meetings and the size of the request, the Advisory Committee believes that the estimate for chapter X contains a sufficient margin to enable UNCTAD to absorb some additions to its work programme, including if necessary the servicing of a second commodity conference in 1973 without having to seek further appropriations.

15-18 Estimated expenditure of \$551 000 under chapter XI (Common staff costs and travel on home leave), takes into account and reflects rising costs for salaries and related items.

#### D. International Trade Centre

15-19 The United Nations share of the cost of the International Trade Centre, which is operated in Geneva jointly by UNCTAD and GATT, are provided for under chapter XII of section 15. As from 1971 the regular budget of the Centre has been shared equally by the two sponsoring organizations. For 1973 the gross assessed budget amounts to \$2 268 700, and the net expenditure budget to be financed by contributions from Governments to \$2 240 000. The share of UNCTAD has accordingly been estimated at \$1 120 000. This is about 14 per cent more than the 1972 appropriation for this purpose.

15-20 The Advisory Committee received the budget of the Centre only towards the end of its spring-summer session. Since the Committee will visit Geneva in September it decided to defer its review of the 1973 budget estimates for the Centre until that time. This will also enable it to hear evidence from the Director and members of his staff. Accordingly the Committee in this report reserves its position on the amount to be contributed by the United Nations to the Centre's budget; it will report later in 1972 to the General Assembly on this subject.

#### Section 15 as a whole

15-21 In the preceding paragraphs the Advisory Committee has recommended reductions totalling \$128 000 in the estimate for section 15. The Committee accordingly recommends to the General Assembly an estimate of \$12 372 200 for this section, subject to any recommendations which it may make on the level of chapter XII (the International Trade Centre).

#### Recapitulation of reductions recommended:

#### Section 15. United Nations Conference on Trade and Development

Chapter III.	Salaries and wages of UNCTAD secretariat:	\$
	(i) . . . . .	90 000
Chapter IV.	Common staff costs of UNCTAD secretariat . . .	18 000
Chapter V.	Travel of staff . . . . .	20 000
		<hr/>
		128 000
		<hr/>

PART VII. UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Section 16. United Nations Industrial Development Organization

	\$
Estimate submitted by the Secretary-General . . . . .	14 574 600
Estimate recommended by the Advisory Committee . . . . .	14 402 600
1972 (appropriation) . . . . .	14 332 100
1971 (obligations) . . . . .	12 310 620

16-1 Section 16 provides for the administrative and research activities of UNIDO, in accordance with paragraph 21 of General Assembly resolution 2152 (XXI) of 17 November 1966.

16-2 The estimate of \$14 574 600 is \$242 500 more than the appropriation for 1972 and \$2 263 980 more than obligations in 1971. However, as noted in paragraph 16.19 of the estimates, and discussed in chapter I, paragraphs 32 to 34 above, the 1973 estimates exclude provision for 26 posts (15 Professional and 11 General Service) which are budgeted in 1972 under this section. These posts are to support technical assistance activities financed from the United Nations Development Programme and hitherto their cost has been included under section 16 but offset by credits under Income sections 1 and 2; the amount involved for 1973 is \$473 000 gross. Thus on a comparable basis the increase in the estimate for section 16, in relation to the 1972 appropriation, is greater than would appear at first sight, and in fact amounts to \$715 500, being the sum of \$242 500 and \$473 000. This is an increase of 5 per cent.

16-3 The initial estimates for UNIDO do not take account of decisions of the Industrial Development Board at its Sixth Session, which was in progress when the Advisory Committee reviewed the estimates.

16-4 Income from UNIDO activities in 1973 is estimated at \$3 195 000, which has been included under the appropriate income sections of the budget, as follows: \$2 062 000 under Income section I (Income from staff assessment), and \$1 133 000 under Income section 3, consisting of \$1 013 000 by way of contributions by States which are members of UNIDO but not of the United Nations, \$25 000 in refunds of contributions to the United Nations Joint Staff Pension Fund in respect of participant withdrawals, and \$90 000 in miscellaneous revenue.

16-5 Table 17 below gives a breakdown by chapter of the Secretary-General's initial estimate for section 16, along with the appropriations for 1972 and obligations for 1971.

Table 17. United Nations Industrial Development Organization

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropriations</u>	<u>1971 obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
I. Seventh session of the Industrial Development Board and meetings of its subsidiary organs .	287 500	297 300	293 307	(9 800)
II. Meetings of expert and advisory bodies . . . .	150 000	171 500	114 273	(21 500)
III. Salaries and wages . .	9 645 000	9 440 300	7 994 911	204 700
IV. Common staff costs . .	2 334 200	2 405 800	1 966 038	(71 600)
V. Travel of staff . . . .	417 000	400 000	385 428	17 000
VI. Hospitality . . . . .	12 000	12 000	10 450	-
VII. Permanent equipment . .	47 200	111 500	137 788	(64 300)
VIII. Maintenance of premises	315 000	265 500	251 833	49 500
IX. General expenses . . .	797 500	668 000	681 732	129 500
X. Publications programme	295 200	295 200	308 012	-
XI. Headquarters planning .	274 000	265 000	166 848	9 000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total, section 16 . . .	14 574 600	14 332 100	12 310 620	242 500
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

16-6 Chapter I provides for the Seventh Session of the Industrial Development Board and two sessions of the Board's Permanent Committee, which on the recommendation of the General Assembly has replaced the UNIDO Working Group on Programme and Co-ordination. The estimate of \$287 500 is lower than the 1972 appropriation for this chapter, but the reduction is entirely due to the fact that unlike 1972, no provision is made in 1973 for meetings of a high-level group of experts on the long-term strategy of UNIDO; the costs of the Board session and those of the Permanent Committee are estimated at about \$47 000 more than was appropriated for similar purposes in 1972. The Secretary-General attributes this

increase mainly to higher salaries for short-term conference-servicing personnel. The Advisory Committee notes that despite its recommendation of last year 54/ the estimate of pre-session documentation for the Board and the spring session of the Permanent Committee has been maintained at 1,500 pages; in the light of General Assembly resolution 2836 (XXVI) of 17 December 1971 the Advisory Committee strongly urges that this volume of documentation be compressed in 1973 and recommends that on this account the budgetary appropriation be reduced by \$5 000.

16-7 As the Conference Services unit of the UNIDO secretariat comprises 60 Professional and 79 General Service staff, the Advisory Committee does not believe that additional temporary assistance is needed for pre- and post-session documentation for the autumn session of the Permanent Committee, for which \$19 000 is provided in the estimates; the Committee recommends that this amount be deleted.

16-8 Chapter II provides for 16 meetings of expert groups and advisory bodies in 1973. The estimate is \$21 500 below the 1972 appropriation; however, the latter included \$45 000 for the high level group of experts on long range strategy (see paragraph 16-6 above), which is not provided for in 1973. With this exception, the number of meetings scheduled is the same as UNIDO hopes to call in the current year. Thus on a comparative basis the estimate shows an increase of \$23 500, or about 19 per cent, which is more than might be expected to result from higher travel and subsistence costs. Moreover, in the light of actual obligations for 1970 and 1971 for these purposes the Committee doubts whether all the meetings budgeted for will in fact be held. For these reasons it recommends a reduction in the estimate, in the amount of \$10 000.

16-9 Under chapter III (Salaries and wages) provision is made for established posts (\$8 828 000), consultants (\$365 000), temporary assistance (\$405 000), and overtime and night differential (\$47 000). The estimate for established posts (article (i)) is about \$166 000 more than the appropriation for the current year, despite the removal from the manning table of the 26 posts referred to in paragraph 16-2 above. The increase is partly due to adjustments in exchange rates and partly to such factors as higher salary levels and annual increments. No reclassifications of staff are proposed. Apart from the deletion of the 26 posts the establishment of UNIDO remains virtually unchanged, as does the distribution of posts among the divisions. 55/

16-10 In paragraph 16-20 of his estimates the Secretary-General notes that extra-budgetary funds available to UNIDO are expected in 1973 to be sufficient to provide 842 man-months (about 70 man-years) of Professional staff time plus 2,700 man-months (225 man-years) of General Service time (including the 26 posts for which provision is no longer sought under the regular budget). UNIDO will have 295 established posts at the Professional and higher levels in 1973, and 328 at the General Service level. The extra-budgetary resources thus have the effect of supplementing UNIDO's Professional staff resources by almost 24 per cent and its resources in General Service staff by about 70 per cent. In paragraph 16-13 below the Advisory Committee discusses the role of extra-budgetary staff in helping to carry out UNIDO's work programme.

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54/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No.8 (A/8408), para. 257.

55/ However in 1973 the staff and other requirements of UNIDIO's Information Service which are related to general information services (as distinct from those connected with UNIDO's activities) are included in the estimates for the Office of Public Information under sections 3, 4 and 10 of the budget.



16-11 In common with other units of the secretariat, UNIDO has been affected by the temporary suspension of recruitment of Professional staff initiated by the Secretary-General in January 1972. At the end of May 1972 there were 10 vacant posts at the Professional and higher levels, and the Secretary-General expected that about 15 staff members would leave the Organization before the end of the year. That would leave 25 vacancies, at year-end, not taking into account new recruits whom the Executive Director of UNIDO hoped to appoint either after the suspension or by way of special exemptions to it.

16-12 The suspension has also applied to the recruitment of specialized staff on a short-term basis, for whom a lump-sum temporary assistance credit of \$350 000 (including \$40 000 under chapter IV (Common staff costs)) was provided in the 1972 budget on the basis of a revised estimate submitted by the Secretary-General (A/C.5/1400). For 1973 the Secretary-General is requesting \$350 000 for such temporary assistance (under chapter III, article (iii)), in addition to \$55 000 for temporary assistance of the usual kind.

16-13 By its nature temporary assistance of the type provided for in the lump-sum credit is closely linked with UNIDO's requirements in established posts. Indeed, the Secretary-General informed the Advisory Committee that in response to a recommendation by the Committee he had related his request for temporary assistance in 1973 to his request for established posts, and also to the funds likely to be available to UNIDO for the overhead costs of programmes and projects financed from extra-budgetary resources. He estimated that to carry out its 1973 work programme as approved by the Industrial Development Board (ID/B/97 and addenda) UNIDO would need 2,352 man-months of Professional staff services in substantive areas, of which the regular budget would provide 1,812 and overhead funds 180, leaving a shortfall of 360 Professional man-months and supporting General Service staff which it was planned to finance in part from the appropriation for special temporary assistance.

16-14 However, the suspension of recruitment in 1972 has somewhat restrained UNIDO's expenditures on this type of temporary assistance. At the end of June the Secretary-General estimated that obligations for the year might amount to \$280 000, against the total authorized credit of \$350 000.

16-15 In common with its approach to the 1973 estimates for other secretariat units, the Advisory Committee is of the view that in the case of UNIDO it would be unrealistic not to take account in the 1973 budget of the likely existence at year-end of some additional vacancies in both established posts and posts financed from temporary assistance, due to the suspension of recruitment. Accordingly, the Committee, applying assumptions similar to those it applied in the case of section 3 (see paragraph 3-11 above) reached the conclusion that the requirements of UNIDO under articles (i) and (iii) of chapter III are overstated to the extent of about \$50 000; it accordingly recommends a reduction of this amount, to be distributed between those two articles.

16-16 The Secretary-General's request for individual experts and consultants (chapter III, article (ii)) is \$5 000 less than the 1972 appropriation. His request for overtime and night differential (article (iv)) is greater by \$4 000. However, the aggregate of these two articles (\$412 000) is about \$70 000 more than obligations for 1971. The Advisory Committee has consistently advocated that a close watch be kept on these categories of expenditure with a view to achieving economies.

16-17 Should the Advisory Committee's recommendation in paragraph 16-15 above on chapter III be accepted, requirements under chapter IV (Common staff costs) would be \$12 000 less than the Secretary-General has estimated. The Committee notes that this chapter contains a provision of \$39 000 for staff training in UNIDO; it trusts that career development training, for which the Secretary-General requests an appropriation of \$11 000, will be co-ordinated with and will follow the same guidelines as the corresponding programme at United Nations Headquarters.

16-18 The increase of \$17 000 in the estimate for chapter V (Travel of staff) is attributed by the Secretary-General entirely to higher fares and subsistence rates. However, in the light of the new control procedures initiated by the Secretary-General early in 1972, the Advisory Committee believes that the expected volume of staff travel in 1973 can be significantly reduced; bearing in mind also the savings accruing on excess baggage costs, to which it has referred in paragraph 31 (c) above, the Committee recommends a reduction of \$25 000 in the estimate. The Committee noted that an amount of \$107 000 (\$7 000 more than the 1972 appropriation) is requested for the travel of industrial field advisers; the administrative and programme support budget estimates for 1973 of UNDP (which pays the salaries of these advisers) contain an additional \$28 300 for this purpose. 56/ The Advisory Committee trusts that during his review of arrangements to provide sectoral advance and support to resident representatives, the Administrator of UNDP, in co-operation with the other organizations concerned, will take account of the need for clearly-defined budgetary reporting procedures for expenditures of this type (DP/L.235).

16-19 There is a sharp reduction (from \$111 500 to \$47 200) in estimated requirements for permanent equipment (chapter VII), due partly to the fact that no new posts are sought for 1973. Another factor is the transfer from this chapter to chapter IX (General expenses) of costs for certain miscellaneous supplies and services, estimated at \$11 000 for 1973.

16-20 Under chapter VIII (Maintenance, operation and rental of premises) the Secretary-General is requesting an appropriation of \$315 000, about \$50 000 more than that for the current year. The items mainly responsible for this increase are the cleaning of premises (including snow removal), which is 29 per cent above the 1972 level, and utilities, up more than 16 per cent. The Secretary-General indicates that he will be faced with cost increases under this chapter and will also have to provide services for further accommodation which the Austrian Government is to make available in 1973. Bearing in mind the current policy of budgetary restraint, the Advisory Committee believes that the appropriation for this chapter can be reduced by \$25 000. That would leave an amount of \$290 000, which is more than 9 per cent above the 1972 appropriation and 15 per cent above obligations in 1971.

16-21 About 40 per cent of the estimate for chapter IX (General expenses) is for communications. This item also accounts for more than half of the increase of \$129 500 in the estimate, compared with the appropriation for the current year. 57/ The Committee is encouraged by the efforts being made by the Executive

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56/ DP/L.228 and Corr.1, para. 101.

57/ \$11 000 of this increase results from the change of presentation referred to in paragraph 16-19.

Director to eliminate unnecessary expenditure on communications; it considers that further restraint should make it possible to limit costs in 1973 to \$320 000, that is \$15 000 below the estimate, even allowing for higher unit costs. As to the other items under this chapter, the Committee is concerned at the aggregate increase of \$45 700 in estimated requirements for rental and maintenance of equipment (article (ii)), other supplies and services (article (iii)), and stationery and office supplies (article (iv)); it recommends a further reduction of \$11,000 in the provision for these three articles. Article (vii) provides for general expenses for UNIDO's Liaison Office in New York, which in the past were not itemized separately but distributed among the other articles of chapter IX.

16-22 Although unit costs are increasing, the estimate of \$295 200 for chapter X (Publications programmes and reproduction services) is about the same as the 1972 appropriation, reflecting a reduction in UNIDO documentation in line with General Assembly resolution 2836 (XXVI) of 17 December 1971.

16-23 Chapter XI of section 16 provides for the UNIDO's Office of Headquarters Planning, which is working closely with the Austrian Government and the International Atomic Energy Agency (IAEA) on plans for the joint UNIDO/IAEA premises in the Donaupark in Vienna. The Advisory Committee trusts that expenditure by the Office in 1973 on such items as consultant services will be closely matched to actual needs, bearing in mind the delays referred to in paragraph 16.93 of the estimates.

#### Recapitulation of reductions recommended:

#### Section 16. United Nations Industrial Development Organization

		\$
Chapter	I. Seventh session of the Industrial Development Board and meetings of its subsidiary organs . . . . .	24 000
Chapter	II. Meetings of expert and advisory bodies . . . . .	10 000
Chapter	III. Salaries and wages . . . . .	50 000
Chapter	IV. Common staff costs . . . . .	12 000
Chapter	V. Travel of staff . . . . .	25 000
Chapter	VIII. Maintenance, operation and rental of premises . . . . .	25 000
Chapter	IX. General expenses . . . . .	26 000
	Total:	<u>172 000</u>

PART VIII. SPECIAL MISSIONS

Section 17. Special missions

	\$
Estimate submitted by the Secretary-General . . . . .	8 454 200
Estimate recommended by the Advisory Committee . . . . .	8 400 000
1972 (appropriation) . . . . .	8 370 700
1971 (obligations) . . . . .	8 143 134

17-1 The estimate for section 17 is \$83 500 above the 1972 appropriation. But on a comparable basis, i.e. if one excludes from the 1972 appropriation the provisions for those special missions which are not budgeted for in the initial estimates for 1973, the increase amounts to \$242 600. As can be seen from table 18, which provides an analysis by chapter and by year for 1971-1973, most of the increase over 1972 occurs in chapter I, United Nations Truce Supervision Organization in Palestine.

Table 18. Special missions: analysis by chapter and by year for  
1971, 1972 and 1973

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropria- tions</u>	<u>1971 obligations</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
I. United Nations Truce Supervision Organization in Palestine . . . . .	6 172 200	5 969 300	5 824 451	202 900
II. United Nations Military Observer Group in India and Pakistan . . . . .	1 298 900	1 283 900	1 264 628	15 000
III. United Nations Commission for the Unification and Rehabilitation of Korea . . . . .	309 200	291 100	305 141	18 100
IV. United Nations Supply Depot in Pisa . . . . .	142 400	140 000	133 911	2 400
V. United Nations Council for Namibia and United Nations Commissioner for Namibia . . . . .	351 500	347 300	244 673	4 200
VI. Special Committee on <u>Apartheid</u> . . . . .	15 000	15 000	12 468	-
VII. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples . . . . .	165 000	165 000	90 376	-
VIII. United Nations Representative for India and Pakistan . . . . .	-	-	-	-
- Previous expenses not provided for in 1973 . . . . .	-	159 100 <sup>a/</sup>	267 486 <sup>b/</sup>	(159 100)
TOTAL, section 17. . . . .	8 454 200	8 370 700	8 143 134	83 500

(Foot-notes on following page)

(Foot-notes to table 18)

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a/ Includes the following missions for which provision was made in 1972 but for which no basis currently exists on which to include an estimate: Ad Hoc Working Group of Experts established under resolution 2 (XXIII) of the Commission on Human Rights (\$120 000), and the Special Committee to Investigate Israeli Practices affecting the Human Rights of the Population of the Occupied Territories (\$39 100).

b/ Includes the following missions not provided for in 1973 but for which expenditures were incurred in 1971: Ad Hoc Working Group of Experts established under resolution 2 (XXIII) of the Commission on Human Rights (\$19 340), United Nations Middle East Mission (\$165 923), the Special Committee to Investigate Israeli Practices affecting the Human Rights of the Population of the Occupied Territories (\$27 271), the Special Mission of the Security Council to the Republic of Guinea (\$14 525), the Special Mission of the Security Council established under resolution 294 (1971) (\$38 294), and miscellaneous claims and adjustments for prior years (\$2 133).

17-2 Chapters I, II, III and VIII make provision for special missions which were established as follows:

(a) United Nations Truce Supervision Organization in Palestine - under Security Council resolution 48 (1948) of 23 April 1948 and 73 (1949) of 11 August 1949;

(b) United Nations Military Observer Group in India and Pakistan - under a resolution dated 20 July 1948 of the United Nations Commission for India and Pakistan, which was set up under Security Council resolution 39 (1948) of 20 January 1948;

(c) United Nations Commission for the Unification and Rehabilitation of Korea - under General Assembly resolution 376 (V) of 7 October 1950; and

(d) United Nations Representative for India and Pakistan - under Security Council resolution 80 (1950) of 14 March 1950.

As the Committee has repeatedly stated in earlier reports, it has always proceeded from the premise that the United Nations organs which created these special missions should keep their activities and the need for their continuation under constant review. The Secretary-General also has a role to play in these matters: should he feel that the need for a particular mission has passed, he should bring his conclusions to the attention of the competent intergovernmental organ. 58/

17-3 Staff assessment and other revenue related to the special missions, amounting to a total of \$698 100 is reflected in the Income Sections; the detailed breakdown is as follows:

	\$	\$
Income Section 1: Staff Assessment		
United Nations Truce Supervision Organization . . . . .	460 900	
United Nations Military Observer Group in India and Pakistan . . . . .	88 500	
United Nations Commission for the Unification and Rehabilitation of Korea . . . . .	32 200	
Supply Depot at Pisa . . . . .	15 800	
Office of the United Nations Commissioner for Namibia . . . . .	60 000	657 400

Income Section 3: General Income:

Sale of vehicles and obsolete equipment:

United Nations Truce Supervision Organization . . . . .	11 900	
United Nations Military Observer Group in India and Pakistan . . . . .	12 500	
United Nations Commission for the Unification and Rehabilitation of Korea . . . . .	2 500	
	26 700	
Reimbursement of services provided by UNTSO to UNRWA . . . . .	14 000	40 700
		698 100

17-4 The estimates under chapters I to IV provide for the continuation of the four operations in question at the same level as in 1972. The increases over the corresponding appropriations for 1972 are attributed by the Secretary-General in the main to higher prices, salaries, wages and common staff costs. The only significant variations are:

(a) a decrease in the number of military observers assigned to UNTSO from 222 to 217;

(b) an increase of \$8 400 (from \$13 000 to \$21 400) in the estimate for the purchase of miscellaneous equipment for UNTSO, partly attributable to the postponement until 1973 of the purchase of three portable housing units originally scheduled to be acquired in 1972;

(c) the provision of \$38 200 for the renovation of the Rawalpindi link of the United Nations international radio network;

(d) the proposed purchase of three vehicles for UNCURK at a cost of \$8 450;

(e) a decrease in the number of local staff at the Pisa depot from eight to seven;

(f) a reduction in the estimates for the purchase of vehicles for UNTSO (by \$165 300) and UNMOGIP (by \$18 200), through the introduction of a five-year replacement cycle instead of a four-year cycle as hitherto.

17-5 The estimates under chapter V for the Office of the United Nations Commissioner for Namibia, and the Travel documents office at Lusaka, assume no change either in the number of the staff assigned to the two officers or in their grades. Salaries (including post adjustment), wages and common staff costs show increases over 1972 of \$49 200 for the Office of the Commissioner and \$3 200 for the Lusaka office. The estimates for travel and subsistence for the two offices show a decrease of \$5 200. At the Lusaka office there are minor increases under communications, purchase of equipment, maintenance of vehicles, and miscellaneous supplies and services, partly offset by a decrease for the rental and maintenance of premises.

17-6 The Secretary-General has made no provision under chapter V for the United Nations Council for Namibia as the Council must still finalize its programme of work for 1973. The corresponding appropriation for 1972 is \$44 400 and the obligations in 1971 \$30 700.

17-7 The estimates of \$15 000 for the Special Committee on Apartheid (chapter VI) and \$165 000 for the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (chapter VII) are provisionally maintained at the level of the 1972 appropriations, as neither of these two bodies has as yet formulated its programme of work for 1973.

17-8 In its examination of the estimates for section 17 the Advisory Committee noted that they show few variations compared with the appropriations for 1972, except in so far as they have been influenced by cost increases (including pay adjustments). Nevertheless, the Committee concluded that there are some areas where economies should be within the Secretary-General's reach; those areas include:



- (i) miscellaneous supplies and services for UNTSO, which the Secretary-General estimates at \$111 000;
- (ii) travel and subsistence of military observers assigned to UNTSO and UNMOGIP, to reflect the possibility that some observers may extend their tours of duty;
- (iii) the reduction of the vehicle fleet of UNCURK by one sedan, with a consequential decrease in the number of vehicles to be replaced in 1973;
- (iv) the uncertainty concerning the 1973 work programme 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. In this connexion the Advisory Committee noted that while the Special Committee's requirements in 1972 will be somewhat in excess of the appropriation of \$165 000, obligations in 1971 amounted to just over \$90 000.

17-9 For the above reasons the Advisory Committee recommends that the estimate for section 17 be reduced by \$54 200 to \$8.4 million. The Committee will review the estimate at its autumn session after the work programmes of the United Nations Council for Namibia, the Special Committee on Apartheid and the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples have been formulated.

Reduction recommended:

	\$
Section 17. Special missions . . . . .	54 200

PART IX. OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

Section 18. Office of the United Nations High Commissioner for Refugees

	\$
Estimate submitted by the Secretary-General . . . . .	5 855 500
Estimate recommended by the Advisory Committee . . . . .	5 848 500
1972 (appropriation) . . . . .	5 398 500
1971 (obligations) . . . . .	4 779 615

18-1 The estimate of \$5 855 500 for section 18 is \$457 000 greater than the appropriation for 1972. It is partly offset by income from staff assessment estimated at \$812 500, which is credited to Income section 1, and income from the grant-in-aid from voluntary funds estimated at \$710 000, representing reimbursement for administrative expenses related to the High Commissioner's material assistance programme to refugees, credited to Income section 2. Both these income items are substantially higher than in 1972, and they have the effect of reducing the increase in the estimate for the Office of the High Commissioner on a net basis to \$255 000. In table 19 below the estimate is compared by chapter with the appropriation for 1972 and obligations in 1971.

Table 19. Office of the United Nations High Commissioner for Refugees

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obliga- tions</u>	<u>Increase between 1972 and 1973</u>
I. Salaries . . . . .	4 167 000	3 794 000 <sup>a/</sup>	3 364 820	373 000
II. Common staff costs . . . .	1 087 000	1 034 500	905 719	52 500
III. Travel on official business . . . . .	198 000	196 000	186 273	2 000
IV. Public information activities . . . . .	40 000	38 000	32 738	2 000
V. Hospitality . . . . .	11 500	11 000	9 502	500
VI. Permanent equipment . . .	44 000	38 000	64 148	6 000
VII. General expenses . . . . .	283 000	268 000	279 809	15 000
VIII. Contractual printing . . .	25 000	19 000	17 847	6 000
 TOTAL GROSS, section 18 . . . . .	 5 855 500	 5 398 500	 4 860 856 <sup>d/</sup>	 457 000
<u>Deduct</u>				
Income from staff assessment . .	812 500	740 500 <sup>b/</sup>	652 551	72 000
Grant-in-aid from voluntary funds . . . . .	710 000	580 000 <sup>c/</sup>	523 078	130 000
 TOTAL NET . . . . .	 4 333 000	 4 078 000	 3 685 227	 255 000

a/ Including provisional posts.

b/ Revised estimate.

c/ Actual figure: \$580 164.

d/ Consisting of \$4 779 615 under the regular budget and \$81 241 from voluntary funds.

18-2 From December 1971 to March 1972 the Administrative Management Service carried out a manpower utilization and deployment survey of the Office of the High Commissioner, as part of the broader survey of the United Nations Secretariat as a whole. The Advisory Committee was informed that for the most part the Secretary-General has accepted the recommendations of the Service, of which the principal ones are as follows:

(a) a reorganization of the structure of the headquarters of the Office in Geneva, designed to reduce the number of layers of authority in some areas and to consolidate in larger units functions previously performed by several units; the number of organizational units at headquarters would thus be significantly reduced;

(b) the improvement of management practices, including the establishment of a planning and evaluation unit, the introduction of an integrated management system, closer contacts between headquarters and the field offices (in both substantive and administrative areas), the development of a forward recruitment planning procedure, and the introduction of training programmes for new professional appointees and for staff concerned with management. AMS also recommended the upward reclassification of many posts, both at headquarters and in the field;

(c) the provision of additional resources for consultants in special areas related to the integration and resettlement of refugees;

(d) more systematic procedures for the review of staff travel;

(e) a considerable redeployment of posts among organizational units at headquarters, and a reduction of the field establishment in Europe in favour of offices in other continents.

18-3 As indicated in paragraph 18.23 of the estimates, additional resources will be required to implement some of the above recommendations. Since further consultation and development work will be needed before certain of them can be put into effect, the High Commissioner intends to spread their implementation over 1973 and 1974. Provision is made in the 1973 estimates for the reorganization at headquarters, the establishment of the planning and evaluation unit, the staff training programme, about half the reclassifications recommended by AMS, and the increased use of consultants. Because of the existing constraints on the United Nations budget the extra costs involved in 1973 will be compensated by savings in other areas, principally by not filling during 1973 three Professional and three General Service posts which are expected to fall vacant by the end of 1972. The effects of the proposed modifications are set out in table 18-2 of the estimates, which shows that in real terms - that is, allowing for increases in unit costs, mainly for salaries and wages - the estimates provide for a level of activity slightly below that provided for by the budget for the current year.

18-4 The Advisory Committee was informed that it is hoped to absorb within the resources available under section 18 of the 1972 budget additional costs estimated at about \$180 000 which have arisen since that budget was approved, as a result primarily of changes in the exchange rate of the Swiss franc against the United States dollar.

18-5 The request for \$4 167 000 under chapter I (Salaries) is \$373 000 above the appropriation for 1972. The bulk of the request (\$3 989 000) is accounted for by article (i), Established posts. The changes proposed are as follows:

(a) the release of one Professional and one General Service post by the closure (in 1972) of the suboffice in Kaniama, Zaire;

(b) the release of one Professional and two General Service posts as a result of a rearrangement of regional responsibilities for West Africa;

(c) a reduction by three Professional and three General Service posts in the aggregate staffing of the field offices in Austria, Belgium, France, Greece and Italy, as recommended by AMS. The Advisory Committee notes that the High Commissioner's ability to effect such a reduction will depend on the outcome of his negotiations with the Governments concerned; in the light of its past recommendations on the High Commissioner's staff needs in Europe 59/ the Committee trusts the Governments will prove receptive to this proposed change;

(d) the reduction of the professional establishment in Uganda by one post, to be filled by a "junior professional officer" made available cost free. The Advisory Committee was informed that the High Commissioner is meeting with encouraging success in his negotiations with Governments to provide other such officers; 60/

(e) an increase of five Professional and two General Service posts at headquarters, in line with the reorganization recommended by AMS;

(f) the addition of one Professional and one General Service post to the regional office for Latin America in Buenos Aires;

(g) the addition of one General Service post to each of the offices in Ethiopia, Tanzania and Uganda, to ease the excessive workload which the AMS found to exist in some field offices.

18-6 Since the number of new posts proposed in both categories equals the number of posts released elsewhere, there would be no net change in the aggregate establishment of the High Commissioner's office. However, the proposal to leave three Professional and three General Service posts vacant throughout 1973 would reduce the effective establishment by that number. The distribution of posts among the headquarters of the Office and the four main regions would be as follows:

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59/ See for example, Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 297.

60/ Ibid., para. 293.

	1972 <sup>a/</sup>			1973		
<u>Region</u>	<u>Profes-</u> <u>sional</u> <u>and</u> <u>above</u>	<u>General</u> <u>Service</u>	<u>Total</u>	<u>Profes-</u> <u>sional</u> <u>and</u> <u>above</u>	<u>General</u> <u>Service</u>	<u>Total</u>
Headquarters . . . . .	60	85	145	63	86	149
Africa . . . . .	27	64	91	23	62	85
Europe (including Turkey) . . . . .	15	40	55	12	37	49
Asia, Middle East and Far East . . . . .	5	14	19	5	14	19
The Americas . . . . .	5	6	11	6	7	13
Australia and New Zealand . . . . .	-	1	1	-	1	1
	<u>112</u>	<u>210</u>	<u>322</u>	<u>109</u>	<u>207</u>	<u>316</u>

a/ Distribution proposed in the budget estimates for 1972; does not reflect changes introduced during that year in response to changing refugee situations.

18-7 Nineteen reclassifications are proposed, comprising three from the P-5 to the D-1 level, six from P-4 to P-5, five from P-3 to P-4, four from P-1/2 to P-3, and one General Service post from G-6 to G-7. Twelve of the posts affected are at headquarters and the others in the field. The above reclassifications have been recommended by the AMS, and the Advisory Committee concurs in them. Proposals for further upward reclassifications in the Office of the High Commissioner, including some which were recommended by AMS and others which were not will be deferred by one year. The Advisory Committee will review them when it considers the 1974 estimates.

18-8 Article (ii) of chapter I provides for correspondents, consultants, temporary assistance and overtime. The increase from \$116 000 to \$178 000 is due almost entirely to the inclusion of a new provision of \$60 000 for expert advice in specialized fields, as recommended by AMS (see paragraph 18-2 above). Whilst accepting this requirement the Advisory Committee urges the Secretary-General to pursue with the other organizations in the United Nations system the possibility of obtaining from them such expert services at no cost to the Office of the High Commissioner, not only in 1973 but also - should the need persist - in future years.

18-9 The estimate of \$1 087 000 for chapter II (Common staff costs) provides in the main for staff entitlements and is based largely on experience in past years, taking account of salary increases, the effects of monetary adjustments, and other changes. An additional \$5 000 has been requested for article (ix),

Training of staff, in the light of the recommendations by AMS in this area; the Advisory Committee trusts that the programme of staff training in the High Commissioner's office will be integrated to the extent possible with that operated by the United Nations office in Geneva which is financed from section 4 of the budget.

18-10 Proposed expenditures under chapters III to VII are in general slightly above the corresponding appropriations for 1972, due in the main to higher costs. The increase from \$19 000 to \$25 000 in the estimate for chapter VIII (Contractual printing) is attributable partly to higher printing costs and partly to recommendations made by a consulting firm which early in 1972 completed a review of the public information activities of the Office of the High Commissioner. To take account of the non-exercise of excess baggage entitlements (see paragraph 31 (c) above) the Committee recommends that the estimates for chapter II, article (x) (Travel on home leave) and chapter III (Travel on official business) be reduced by \$7 000.

18-11 The Advisory Committee notes from paragraph 18.23 of the estimates that while certain recommendations of AMS have led to increases in the request for section 18, others have produced economies. The Committee hopes that the estimates for future years will reflect the management and other improvements that can be expected to result from the survey of the High Commissioner's office.

Reduction recommended: \$

Section 18. Office of the United Nations High Commissioner	
for Refugees . . . . .	7 000

# PART X. INTERNATIONAL COURT OF JUSTICE

## Section 19. International Court of Justice

	\$
Estimate submitted by the Secretary-General . . . . .	1 716 900
Estimate recommended by the Advisory Committee . . . . .	1 712 000
1972 (appropriation) . . . . .	1 706 150
1971 (obligations) . . . . .	1 495 998

19-1 The estimate of \$1 716 900 for the International Court of Justice exceeds the 1972 appropriation by \$10 750, and the 1971 obligations by \$220 902. A comparative breakdown by chapter is given in table 20.

Table 20. International Court of Justice: summary by chapter and by year for 1971, 1972 and 1973

<u>Chapter</u>	<u>1973 estimates</u>	<u>1972 appropri- ations</u>	<u>1971 obliga- tions</u>	<u>Increase or (decrease) between 1972 and 1973</u>
	\$	\$	\$	\$
I. Salaries and expenses of members of the Court . . .	859 800	884 850	735 584	(25 050)
II. Salaries, wages and expenses of the Registry .	703 800	676 000	635 109	27 800
III. Common services . . . . .	138 300	128 000	106 528	10 300
IV. Permanent equipment . . .	15 000	17 300	18 777	(2 300)
Total, section 19 . . .	<u>1 716 900</u>	<u>1 706 150</u>	<u>1 495 998</u>	<u>10 750</u>

19-2 The Secretary-General expects that income totalling \$148 000 will arise from the activities of the Court, consisting of the following amounts: \$113 000 from staff assessment under income section 1; \$15 000 from contributions by States not Members of the United Nations and \$2 000 from miscellaneous income and bank interest under income section 3; and \$18 000 from sale of publications under income section 4.

19-3 The net decrease of \$25 050 under chapter I, Salaries and expenses of members of the Court, is attributable in its entirety to lower requirements for pensions.



19.4 In chapter II (Salaries, wages and expenses of the Registry), article (i), Established posts, shows an increase of \$61 700, from \$483 200 in 1972 to \$544 900. This increase is attributed by the Secretary-General to expected increases in post-adjustment and General Service salary rates; the manning table of the Registry is maintained at 34 posts (16 Professional and above, and 18 General Service). The Advisory Committee was pleased to learn that, in response to its recommendations, 61/ the Registrar had loaned a senior officer to assist the Secretariat during the twenty-sixth session of the General Assembly. The Committee was informed that at the time it was considering the estimates for 1973 there were three unfilled vacancies in the Registry of the Court (two Professional and one General Service). Although the Registrar expects that all the posts will be filled in 1973, the Advisory Committee is of the opinion that the estimate for established posts can be reduced somewhat to allow for delays in recruitment and for turnover of staff; accordingly, it recommends a reduction of \$4 900 under chapter II, article (i).

19-5 The other increases under chapter II relate to contributions to the United Nations Joint Staff Pension Fund (up \$6 100), dependency allowances (up \$1 500), education grant and related travel (up \$300), and contributions to medical insurance (up \$1 000). There are decreases for travel on home leave (down \$4 200), separation payments (down \$200) and temporary assistance (down \$38 400).

19-6 The bulk of the increase under chapter III, Common services, relates to article (viii) Contractual printing, for which the Secretary-General requests \$45 000 as against an appropriation of \$36 000 in 1972. This increase is attributable partly to higher unit costs and partly to the need to publish a backlog of volumes in the Pleadings, Oral Arguments, Documents series, and to reissue volumes in the Reports series the stock of which has become exhausted.

19-7 The decrease under chapter IV, Permanent equipment, is attributable to lower requirements for furniture and fittings (down \$1 600) and for the library (down \$700).

19-8 The Advisory Committee's observations and recommendations on the proposals in paragraphs 19-2 and 19-3 of the budget estimates that special provision be made in the resolution on Unforeseen and Extraordinary Expenses for the Financial Year 1973 to cover temporary assistance and printing costs that may arise in respect of cases submitted to the Court, are contained in chapter II, paragraph 67 above.

Reduction recommended:

\$

Section 19. International Court of Justice . . . . . 4 900

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61/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 313; *ibid.*, Twenty-fifth Session, Supplement No. 8 (A/8008), para. 370.

## PART XI. SPECIAL EXPENSES

### Section 20. Special expenses

	\$
Estimate submitted by the Secretary-General . . . . .	10 515 400
Estimate recommended by the Advisory Committee . . . . .	10 505 400
1972 (appropriation) . . . . .	10 574 300
1971 (obligations) . . . . .	10 584 751

20-1 A breakdown by chapter comparing estimates for 1973 with appropriations for the current year and obligations in 1971 is given in table 21 below.

20-2 The principal reason for the increase of \$4 000 under chapter I (United Nations Memorial Cemetery in Korea) is higher requirements for common staff costs attributable to the assignment to this mission of a staff member with a larger number of dependants than his predecessor. The other articles of this chapter show only minor variations compared with 1972.

20-3 The estimate for chapter II is made up of the third instalment of \$500 000 to the United Nations International School Development Fund, and a subvention of \$20 000 towards the expected operating deficit of the School in 1972/1973. Both elements are governed by the provision of operative paragraph 3 of resolution 2612 (XXIV) of 16 December 1969 wherein the General Assembly decided "in principle to contribute \$2 million to the United Nations International School Development Fund over a period of four years" and noted "that annual grants towards the operating deficit of the School will be phased out as the Development Fund is built up". The Advisory Committee expects therefore that there will be no need after 1973 for a subvention from the regular budget towards the operating expenses of the School.

20-4 The provision for the United Nations bond issue (chapter III) is included in accordance with the terms of 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. The 1973 estimate, which consists of \$2 277 900 for interest on outstanding bonds and \$6 355 500 for repayment of principal, has been influenced by the realignment of currency exchange rates since August 1971, because some bonds are expressed in currencies other than United States dollars.

20-5 The estimate for the Triangular Fellowship Programme of the Office of Public Information (chapter IV), at \$30 000, is \$9 000 above the 1972 appropriation and \$12 226 more than obligations in 1971. The Secretary-General explains that the increase is attributable to a proposed expansion of the cycle of seminars for young journalists and broadcasters from the developing countries in keeping with the endorsement by the General Assembly, in operative paragraph 4 of its

Table 21

Chapter	1973 estimates	1972 appropri- ations	1971 obliga- tions	Increase or (decrease) between 1972 and 1973
	\$	\$	\$	\$
I. United Nations Memorial Cemetery in Korea . . . .	79 100	75 100	88 398	4 000
II. United Nations International School, New York .	520 000	535 000	550 000	(15 000)
III. United Nations bond issue	8 633 400	8 556 900	8 556 176	76 500
IV. Triangular Fellowship Programme (Office of Public Information) . . .	30 000	21 000	17 774	9 000
V. United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law . . . .	57 500	52 500	51 526	5 000
VI. United Nations participation in the Joint Inspection Unit . . . . .	187 000	170 000	170 700	17 000
VII. United Nations participation in jointly financed activities of administrative co-ordination . . .	150 000 .	141 500	83 200	8 500
VIII. United Nations participation in the costs of the secretariat of the United Nations Joint Staff Pension Fund . . . . .	193 600	176 900	156 359	16 700
IX. International Computing Centre, Geneva . . . . .	644 800	630 400	670 930	14 400 .
X. Prizes for outstanding achievement in the field of human rights . . . . .	20 000	-	-	20 000
- Previous programmes not provided for in 1973 . .	-	215 000 <sup>a/</sup>	239 688 <sup>b/</sup>	(215 000)
Total, section 20 . . . .	10 515 400	10 574 300	10 584 751	(58 900)

a/ Includes a grant of \$100 000 for the United Nations Educational and Training Programme for southern Africa, \$50 000 for the United Nations Fund for Namibia and \$65 000 for the Programme of promotion of the application of space technology.

b/ Includes a grant of \$100 000 for the United Nations Educational and Training Programme for southern Africa, \$50 000 for the United Nations Fund for Namibia, \$82 688 for assistance in cases of natural disaster provided in terms of General Assembly resolution 2435 (XXIII), operative paragraph 8, of 19 December 1968, and \$7 000 for pre-disaster planning, provided in terms of operative paragraph 7 of General Assembly resolution 2435 (XXIII).

resolution 2897 (XXVI), of the recommendation contained in subparagraph 261 (xii) of the report on the Review and Reappraisal of the Office of Public Information (A/C.5/1320/Rev.1).

20-6 The increase of \$5 000 under chapter V, United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law, is attributable to higher travel costs (\$15 000 as against \$10 000 in 1972); the number of fellowships and their amount remain unchanged.

20-7 The estimate of \$187 000 under chapter VI represents the United Nations share of the expenses of the Joint Inspection Unit which are estimated by the ACC at a total of \$492 400. The 1972 appropriation of \$170 000 was based on an initial total budget of \$413 300. However, as the Secretary-General indicates in table 20-5, that total will have to be increased by \$48 600 to \$496 900 because of the revaluation of currencies after the estimate for 1972 had been drawn up and approved, with a consequential increase of the United Nations share by \$18 000 (i.e. to \$188 000). The difference between the revised total for 1972 and the estimate for 1973 is accounted for by small variations in the salaries and common staff costs of the Inspectors and the secretariat. The size of the latter is retained at four Professional and above (one D-2, two P-4, one P-2) and seven General Service posts (including one G-5), i.e. the same as in 1971 and 1972.

20-8 Chapter VII provides for the United Nations share of the costs of several jointly financed activities of administrative co-ordination, which are listed below, together with their total estimated budgets for 1973, revised estimates for 1972 and obligations in 1971:

<u>Activity</u>	<u>1973</u> <u>estimates</u> \$	<u>1972</u> <u>revised</u> <u>estimates</u> \$	<u>1971</u> <u>obliga-</u> <u>tions</u> \$
CCAQ Staff Office . . . . .	132 000	165 250	115 341
Cost-of-living surveys . . . . .	28 000	26 000	21 774
Expert Committee on Post Adjustment .	6 500	12 500	6 797
ICSAB . . . . .	77 500	72 000	60 262
IOB . . . . .	195 000	185 000	27 705
Totals . . .	<u>439 000</u>	<u>460 750</u>	<u>231 879</u>

20-9 The Secretary-General indicates that the total revised estimates for 1972 exceed the appropriations by \$39 750. The increase is attributable to three factors:

- (a) the provision during eight months of the year of an additional P-4 post and related general service support to the CCAQ Staff Office, for work on matters related to the Review of the United Nations Salary System;

- (b) the cost of a special session of ECPA to discuss consequences of currency revaluations;
- (c) the effect of currency revaluations.

20-10 The estimated United Nations share for 1973 at \$150 000, compares with a revised estimate for 1972 of \$154 500, an appropriation for 1972 of \$141 500, and obligations in 1971 of \$83 200. The decrease compared with the revised estimate for 1972 is attributable to the non-recurrence in 1973 of the first two factors listed in the preceding paragraph. No change is proposed in the manning tables of the CCAQ Staff Office (one D-2, two P-5, two General Service) and the secretariats of ICSAB (one D-2, one General Service) and IOB (one D-2, two P-5, three General Service). the cost-of-living surveys and ECPA have no secretariats of their own.

20-11 The estimate of \$193 600 under chapter VIII comprises one third of the salaries and common staff costs and travel on home leave of the established posts in the secretariat of the United Nations Joint Staff Pension Fund, in recognition of the fact that that secretariat also administers the United Nations pensions scheme and services the United Nations Pension Committee. <sup>62/</sup> The estimate is provisional since the total costs have not yet been considered by the Board. The Advisory Committee will submit a separate report thereon to the General Assembly at its forthcoming session.

20-12 The estimate of \$644 800 for chapter IX provides for the United Nations share (40 per cent) of the budget of the International Computing Centre, Geneva, which is estimated at \$1 612 000 for 1973, as against \$1 576 000 appropriated for 1972. The Advisory Committee notes that no changes are proposed in the staff resources of ICC (one D-1, two P-5, two P-4, four P-3, three P-2/1, 31 General Service). The Committee will submit a detailed report to the General Assembly at its twenty-seventh session on the operations of ICC after it has met in Geneva during the first part of its autumn session.

20-13 The estimate of \$20 000 under chapter X relates to the proposed award of up to five prizes in 1973 for outstanding achievements in the field of human rights, pursuant to recommendation C in the annex to General Assembly resolution 2217 A (XXI) of 19 December 1966. The estimate consists of \$1 300 for the design and manufacture of prizes, \$6 700 for the travel and subsistence costs of prizewinners, and \$12 000 for the travel and subsistence costs of the members of the selection committee.

20-14 The Advisory Committee recalled that in its observations on the estimates related to the first award of these prizes, it expressed the belief that the session of the selection committee could be scheduled to coincide with other United Nations activities (for instance a 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 the Advisory Committee recommended that the provision for the travel and subsistence costs of the selection committee included

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<sup>62/</sup> The corresponding costs of the specialized agencies are a direct charge to their respective regular budgets.

by the Secretary-General in his initial estimates for 1968, be deleted. 63/ Although the Advisory Committee's recommendation was approved by the Fifth Committee, the selection committee subsequently scheduled a second session. In its related observations the Advisory Committee expressed regret at that development, and recommended that a more economical procedure should be adopted in connexion with the next award of those prizes. 64/

20-15 Bearing in mind its earlier recommendations regarding the arrangements for the award of prizes in the field of human rights, the Advisory Committee believes that every effort must be made to schedule the 1973 activities of the selection committee in a manner that would enable it to complete its work in one session and would not involve special journeys to Headquarters for the members of that committee. Accordingly the Advisory Committee recommends that the estimate for chapter X be reduced by \$10 000 to \$10 000.

Reduction recommended:

\$

Section 20. Special expenses . . . . . 10 000

ESTIMATES OF INCOME

1. Table 22 below summarizes the estimates of income in 1973, compared with the approved estimates for 1972 and actual income received in 1971.

Table 22

<u>Income section</u>	<u>1973 estimates</u>	<u>1972 approved estimates</u>	<u>1971 actual income</u>	<u>Increase or (decrease) between 1973 and 1972</u>
	\$	\$	\$	\$
1. Income from staff assessment . . . . .	26,970 000	25 313 650	22 814 264	1 656 350
2. Funds provided from extra-budgetary accounts . . . . .	747 000	2 499 400	2 514 446	(1 752 400)
3. General income . . .	4 964 000	4 910 000	4 584 909	54 000
4. Revenue-producing activities . . . . .	3 001 300	3 198 600	2 412 360	(197 300)
Total income other than staff assessment . . . . .	8 712 300	10 608 000	9 511 715	(1 895 700)
TOTAL INCOME . . .	35 682 300	35 921 650	32 325 979	(239 350)

63/ Official Records of the General Assembly, Twenty-second Session, Supplement No. 7 (A/6707), para. 323.

64/ Ibid., Twenty-third Session, Annexes, agenda item 73, document A/7258, para. 21.

# PART I. INCOME FROM STAFF ASSESSMENT

## Income section 1. Income from staff assessment

	\$
Estimate submitted by the Secretary General . . . . .	26 970 000
Estimate recommended by the Advisory Committee . . . . .	26 810 000
1972 (estimated income) . . . . .	25 313 650
1971 (actual income) . . . . .	22 814 264

IS 1-1 The estimate of \$26 970 000 for this section is the amount which the Secretary-General expects will be levied in 1973 by way of assessments on salaries and emoluments paid to staff, in accordance with regulation 3.3 of the Staff Regulations. The amount levied will be credited to the Tax Equalization Fund for distribution to Member States, as provided for in General Assembly resolution 977 (X) of 15 December 1955. The estimate can be broken down as follows:

	\$
Staff provided for in sections 2, 3, 4 and 20, and Income section 4 . . . . .	21 608 000
Staff of UNCTAD (section 15) . . . . .	1 718 000
Staff of UNIDO (section 16) . . . . .	2 062 000
Staff of special missions (section 17) . . . . .	657 000
Staff of the Office of the United Nations High Commissioner for Refugees (section 18) . . . . .	812 000
Staff of the Registry of the International Court of Justice (section 19). . . . .	113,000
	<u>26 970 000</u>

IS 1-2 In the light of the change in the method of budgeting the costs incurred in implementing Technical Assistance projects of UNDP, which the Advisory Committee has discussed in paragraphs 32 to 34 above, the estimate of staff assessment income has been reduced by \$354 300, since the cost of the staff concerned will henceforth not be charged to the regular budget of the United Nations but to a separate account financed from UNDP funds. The Committee was advised that for those staff subject to national income taxes - whose number was

not expected to be substantial - tax advances and tax settlements would be charged directly to that special account.

IS 1-3 Income from staff assessment is directly related to expenditures on salaries and emoluments and the Advisory Committee's recommendations on the estimates for sections 3, 15 and 16 will have the effect of reducing the estimate for Income section 1 by \$160 000. The Committee accordingly recommends an estimate of \$26 810 000 for this section.

Income section 1. Income from staff assessment

\$

Reduction recommended . . . . . 160 000



## PART II. OTHER INCOME

### Income section 2. Funds provided from extra-budgetary accounts

	\$
Estimate submitted by the Secretary-General . . . . .	747 000
Estimate recommended by the Advisory Committee . . . . .	747 000
1972 (estimated income) . . . . .	2 499 400
1971 (actual income). . . . .	2 514 446

IS 2-1 In past years the reimbursement paid by the United Nations Development Programme to the United Nations for the costs incurred in implementing Technical Assistance projects has been credited to this income section. Now that the Secretary-General is proposing a change in the method of budgeting those costs (see paragraphs 32 to 34 above) they would no longer appear in the United Nations regular budget, as either expenditure or income items. Accordingly, a deduction of \$1 874 400 has been made to the estimate for Income section 2 for 1973.

IS 2-2 The two components of Income section 2 which remain are the grant-in-aid from the voluntary funds of the United Nations High Commissioner for Refugees (\$710 000) and the reimbursement by the United Nations Joint Staff Pension Fund for certain services performed on its behalf at United Nations cost (\$37 000). The former item, which is \$130 000 greater than the corresponding estimate for the current year, equals 10 per cent of the expected programme commitments of the High Commissioner's office for 1972, excluding the grant-in-aid for 1972 and administrative expenditures covered directly under the programme. <sup>65/</sup> There is a reduction of \$8 000 in the estimated reimbursement by the Pension Fund, the main change being the deletion of any provision for the services of an investment officer, in accordance with revised procedures proposed by the United Nations Joint Staff Pension Board and agreed to by the Secretary-General.

IS 2-3 The Advisory Committee concurs in the estimate for Income section 2.

### Income section 3. General income

	\$
Estimate submitted by the Secretary-General . . . . .	4 964 000
Estimate recommended by the Advisory Committee . . . . .	5 044 000
1972 (estimated income) . . . . .	4 910 000
1971 (actual income) . . . . .	4 584 909

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<sup>65/</sup> Formula approved by the General Assembly at its twenty-second session (Official Records of the General Assembly, Twenty-second Session, Supplement No. 5 (A/6705, paragraph 17.14).)

IS 3-1 Estimated income of \$4 964 000 under Income section 3 is \$54 000 more than the approved estimate for the current year. A comparative breakdown by chapter is given in table 23 below.

Table 23. General income: comparative table for 1971, 1972 and 1973

<u>Item</u>	<u>1973</u> <u>estimates</u>	<u>1972</u> <u>approved</u> <u>estimates</u>	<u>1971</u> <u>actual</u> <u>income</u>	<u>Increase or</u> <u>(decrease)</u> <u>between 1973</u> <u>and 1972</u>
	\$	\$	\$	\$
(i) Income from rental . . . . .	163 000 <sup>a/</sup>	262 000	286 321	(99 000)
(ii) Reimbursement for staff and services furnished to specialized agencies and others . . . . .	805 000	882 000	1 009 643	(77 000)
(iii) Bank interest . . . . .	60 000	67 000	58 619	(7 000)
(iv) Sale of used equipment . .	60 000	60 000	78 618	-
(v) Refund of prior year's expenditures . . . . .	235 000	235 000	237 692	-
(vi) Contributions from non- Member States . . . . .	2 671 000	2 392 000	2 142 022	279 000
(vii) Television and similar services . . . . .	300 000	400 000	132 401	(100 000)
(viii) Reimbursement for part of the construction costs of the United Nations building in Santiago, Chile . . . . .	120 000	120 000	64 000	-
(ix) Refund of the Organization's contribution to the United Nations Joint Staff Pension Fund in respect of participant withdrawals .	450 000	372 000	470 261	78 000
(x) Miscellaneous . . . . .	100 000	120 000	105 332	(20 000)
Total . . . . .	4 964 000	4 910 000	4 584 909	54 000

<sup>a/</sup> Income from the garage, heretofore included under this heading, is now shown under Income section 4 and is estimated at \$85 000 for 1973.

IS 3-2 The apparent reduction in article (i), Income from rental, is entirely due to the decision to credit parking fees from the Headquarters garage to Income section 4 rather than to this section.

IS 3-3 There are three main reasons why the estimate for article (ii), Reimbursement for staff and services provided to specialized agencies and others, is \$77 000 less than the approved estimate for 1972. In the first place the Secretary-General expects a reduction of about \$51 000 in the reimbursement by UNDP for communications services, in the light of the proposed leasing of a higher-speed teleprinter circuit between New York and Geneva, in conjunction with the United Nations. The Secretary-General may wish to return to this estimate in the light of the comprehensive examination of communication arrangements between New York and Geneva which the Advisory Committee has recommended in its comments above on the estimate for section 10 (paragraph 10-4). Secondly a 1972 contribution by the Inter-Governmental Maritime Consultative Organization towards the cost of the Conference on International Container Traffic will not recur in 1973. Finally, the Secretary-General estimates that fees charged to certain participants in language classes at Headquarters will amount to \$8 000, against an approved estimate of \$17 000 for 1972; the Advisory Committee was informed that actual income in 1972 is likely to be well below the latter figure. The above reductions in income are partly offset by an increase of \$17 000 in expected reimbursements to the Geneva office for the reproduction and distribution of documents, and other services.

IS 3-4 In the light of the actual income received in 1971, the Advisory Committee recommends that the estimate for article (iv) (Sale of used equipment) be increased by \$10 000 to \$70 000.

IS 3-5 The increase in estimated contributions from non-Member States (article (vi)) is due in the main to the higher cost of those United Nations activities in which they participate and whose expenses they help defray.

IS 3-6 The Advisory Committee notes that income from television and similar services (article (vii)), which amounted to about \$410 000 in 1970, fell off sharply to about \$132 000 in 1971. This reduction was due largely to a change in accounting procedures introduced in 1971 (from an accrual to a cash basis), which had the effect of reducing the amount of income recorded in the books for that one year. It also reflected reduced demand for these services. For the latter reason the Secretary-General has reduced his estimate for 1973 from \$400 000 (the approved level for 1972) to \$300 000. The amount of income received from services of this kind has in the past depended largely on the public interest generated in North America by United Nations activities, a factor which cannot be easily foreseen. In the future the Secretary-General hopes to increase the sale of material intended primarily for other audiences (in line with his proposals which were endorsed by the General Assembly in its resolution 2897 (XXVI) of 22 December 1971), but he does not expect very significant revenues to result. In the circumstances the Committee concurs in the estimate for this article. The Secretary-General informed the Committee that he intends to review the rates charged by the Office of Public Information for its television, radio and film services, in line with the view expressed by the Committee in its report on the budget estimates for 1972. 66/

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66/ Official Records of the General Assembly, Twenty-sixth Session, Supplement No. 8 (A/8408), para. 328.

IS 3-7 In its discussion with the United Nations Board of Auditors the Advisory Committee was informed that the change from an accrual to a cash basis referred to in the preceding paragraph represents a departure from current accounting practices. The Committee suggests therefore that early in 1973 the Secretary-General weigh the advantages and disadvantages of the change, in the light of experience in the previous two years.

IS 3-8 The Committee believes that the income accruing from television and similar services should be one of the factors taken into account when the General Assembly considers the Secretary-General's programme of acquisition and replacement of television, radio and film equipment at Headquarters. 67/

IS 3-9 The Advisory Committee recommends that the estimate for article (viii), which provides for the reimbursement by the Government of Chile of part of the cost of the United Nations building in Santiago, be raised by \$70 000 to reflect that Government's intention to make an increased payment in 1973, against the total amount which it has undertaken to reimburse.

Recommended increase:

	\$
Income section 3. General income . . . . .	80 000

Income section 4. Revenue-producing activities

	\$
Estimate submitted by the Secretary-General . . . . .	3 001 300
Estimate recommended by the Advisory Committee . . . . .	3 198 600
1972 (estimated income) . . . . .	3 213 400
1971 (actual income) . . . . .	2 412 360

IS 4-1 The estimate for this section is a net figure, arrived at after charging to the income from revenue-producing activities all clearly identifiable related expenses, including direct-support staff services. For 1973 there are two changes of presentation: the operation of the garage at Headquarters, previously shown under Income section 3, is shown under Income section 4; and a small item is included under chapter III (Services to visitors) for the operation of guided tours at the United Nations building, in Santiago, Chile, rather than charging the costs of this operation (which shows a deficit) to temporary assistance, as was done in the past. Table 24 gives comparative figures for the 1973 estimates, the approved estimates for 1972 and actual income for 1971, by chapter.

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67/ A/C.5/1320/Rev.1 and Corr.1, paragraph 261 (ix); General Assembly resolution 2897 (XXVI), para. 3.

Table 24. Revenue-producing activities

<u>Chapter</u>	<u>1973</u> <u>estimates</u>	<u>1972</u> <u>approved</u> <u>estimates</u>	<u>1971</u> <u>actual</u> <u>income</u>	<u>Increase or</u> <u>(decrease)</u> <u>between 1972</u> <u>and 1973</u>
	\$	\$	\$	\$
I. Sale of United Nations postage stamps . . . . .	2 339 000	2 635 000	1 935 730	(296 000)
II. Sale of publications and the United Nations Bookshop	64 500	85 200	177 888	(20 700)
III. Services to visitors and guided lecture tours . . .	(146 200)	(120 000)	(167 192)	(26 200)
IV. Souvenir Shop, Gift Centre and catering services . .	390 000	398 400	425 934	(8 400)
V. Royalties - United Nations commemorative medals . . .	269 000	200 000	40 000	69 000
VI. Garage operations . . . . .	85 000	- <u>a/</u>	- <u>a/</u>	85 000
Total . . . . .	<u>3 001 300</u>	<u>3 198 600</u>	<u>2 412 360</u>	<u>(197 300)</u>

a/ \$110 000 (estimated) in 1972 and \$121 309 in 1971

IS 4-2 Taking into account the addition to this section of the garage operation and the services to visitors in Santiago, which together are estimated to produce net income in 1973 of \$84 300, the actual decline in income under Income Section 4 amounts to \$281 600. Estimated net income under all chapters except chapter V (Royalties - United Nations commemorative medals) is lower than the estimates approved for 1972.

IS 4-3 The Secretary-General informed the Advisory Committee that he is studying ways of increasing net income from revenue-producing activities, including ways of cutting costs as well as the introduction of new enterprises for generating income. He indicated that the survey by the Administrative Management Service of the Office of General Services, whose Commercial Management Service supervises several of the operations in this category, could lead to operating economies. The results of that survey were not available when the Advisory Committee reviewed the initial budget estimates for 1973.

IS 4-4 The decline in estimated net revenue from the sale of United Nations postage stamps (chapter I) is partly due to the fact that the total face value of stamps to be issued is less in 1973 than in 1972 (\$2.27 as against \$3.79) and also to higher expenses, particularly for the rental of premises, miscellaneous supplies and services, and stationery and postal supplies. The Advisory Committee was informed that the latter two items are affected by the introduction of new sales items such as souvenir cards and cachet envelopes; higher printing costs (including the effect in Geneva of the devaluation of the United States dollar) have also added to the cost of postal stationery. As for the rental of premises, the increase (from \$28 000 to \$47 000) is attributed to the need for space to accommodate large numbers of temporary staff whom it has been found necessary to recruit for short periods to avoid delays in processing orders for new stamp issues.

IS 4-5 However, as indicated in paragraph 4.10 of the Secretary-General's estimates, the expenses to be charged in 1973 against revenue from the sale of postage stamps are likely to be revised later this year to take account of the survey of the United Nations Postal Administration at Headquarters by the Administrative Management Service. Should such revised estimates be presented the Advisory Committee will report separately on them to the General Assembly. The Committee trusts that in its survey of the Postal Administration AMS will look into the possibility of reducing expenditure for temporary assistance, which exceeds \$400 000 a year.

IS 4-6 Should there be a further increase in United States postage rates in 1972 or 1973, with a consequential increase in the face value of new United Nations stamps, the net income derived from the sale of stamps would probably exceed the figure shown in the estimates.

IS 4-7 Under chapter II (Sale of publications and the United Nations Bookshop) the Secretary-General estimates a small increase in gross sales and income (from \$1 561 000, the approved figure for 1972, to \$1 585 000) but significantly higher costs, with a result that net income is expected to decline by \$20 700. This is despite the increase from \$4 000 to \$20 500 in estimated net revenue from sales of the proceedings of the Fourth United Nations Conference on the Peaceful Uses of Atomic Energy, which is shown as a separate item under this chapter. The Advisory Committee notes that sales in the Bookshop, which account for more than one fifth of total sales and income under chapter II, are related to the number of visitors to the Headquarters buildings, which has been declining in recent years. In the Committee's view strenuous efforts are needed to reduce the costs charged against income from the sale of publications; should significant reductions prove impossible it might be necessary to pass on to consumers some of the higher costs, in the form of increased prices.

IS 4-8 The net result of the services to visitors and guided lecture tours (chapter III) is expected to be a deficit of \$146 200, which is \$26 200 more than the expected deficit in 1972 but somewhat better than experience in 1971, when the deficit amounted to \$167 192. However, as indicated in paragraph 4.17 of the estimates, the attendance figure at Headquarters on which the 1972 estimate was based may have been exaggerated; the number of visitors is influenced primarily by the state of the tourist industry in general and the interest in the United Nations among the general public, mainly in the host country, which both vary. The Advisory Committee notes from table 4-6 of the estimates that efforts are being made to hold down the expenses charged against fees for guided tours, and trusts

that those efforts will be intensified, since the Committee continues to believe that this service should be self-supporting. 68/ At the same time the Committee acknowledges that the total revenue generated by guided tours at Headquarters is not confined to fees, but also includes purchases by visitors from the Bookshop, the Gift Centre and Souvenir Shop, and the catering services.

IS 4-9 The Secretary-General expects a net deficit of \$11 000 from the operation of the visitors' service at the Palais des Nations, Geneva, which is \$4 500 less than the expected deficit for the current year and less than half the actual deficit in 1971. This reflects an increase in the fee which is due to take effect in July 1973, at the same time as the guided tour is improved and extended to include the new wing of the Palais. Nevertheless, the Secretary-General expects a 30 per cent increase in the expenses charged against revenue, because of higher salary costs and increased charges for temporary assistance, the latter being due mainly to the showing of films to visitors, which it is proposed to introduce in the summer of 1973. The downward trend in the number of persons taking the tour is discouraging and the Advisory Committee believes that more strenuous efforts are required both to publicize the tour and to enhance its attractiveness.

IS 4-10 Compared with the approved estimates for 1972 there is little change in the estimates for chapter IV, which relate to the Souvenir Shop, the Gift Centre and the catering services, all at Headquarters. Estimated net income, at \$390 000, is slightly less than that budgeted for the current year. The details are provided in the following table.

Table 25

<u>Item</u>	<u>1973 estimates</u>	<u>1972 approved estimates</u>	<u>1971 actual income</u>	<u>Increase between 1972 and 1973</u>
	\$	\$	\$	\$
Souvenir Shop )	350 000	340 000	359 185	10 000
Gift Centre )	210 000	210 000	210 910	-
Catering services )	-	-	(4 144)	-
Total revenue )	560 000	550 000	565 951	10 000
<u>Less: Expenses charged against revenue:</u>				
Commercial Management Service:				
salaries and common staff				
costs . . . . .	170 000	151 600	140 017	18 400
ADJUSTED NET REVENUE .	390 000	398 400	425 934	(8 400)

68/ Official Records of the General Assembly, Twenty-sixth Session  
Supplement No.8 (A/8408), para. 335.

IS 4-11 The Advisory Committee was informed that the installation in 1971 of additional food vending machines has resulted in appreciable economies in the operation of the catering services. Nevertheless, the Secretary-General notes in paragraph 4.40 of his estimates that because of rising food and labour costs it has become increasingly difficult to run the catering services on a "break-even" basis, while maintaining standards and avoiding unreasonable increases in prices. The Advisory Committee notes that the Secretary-General is giving his attention to this problem and trusts that he will be able to come forward with constructive proposals.

IS 4-12 As a matter of general policy the Committee recommends that when existing contracts for the catering services expire, the Secretary-General should call for bids from entrepreneurs. The Committee suggests that this recommendation be brought to the attention of the Committee on Contracts.

IS 4-13 Since the issuance of United Nations commemorative medals (chapter V) was begun only in 1972, it is difficult to forecast the likely net revenues; the estimate of \$269 000 is \$69 000 above the figure for the current year.

IS 4-14 Estimated net revenue from parking fees for the United Nations garage at Headquarters, which was formerly included under Income section 3, shows a reduction from \$110 000 (the approved figure for 1972) to \$85 000. However, this is due not to a fall in revenue but to the decision to charge to this operation two security officer posts, which formerly were charged to sections 3 and 4 of the budget. The 1973 estimates for those two sections show a reduction of \$25 000 on account of the change.

IS 4-15 The Advisory Committee notes from paragraph 4.44 of the estimates that in the light of a recommendation which it made in 1970 <sup>69/</sup> the Secretary-General is reviewing the schedule of parking rates for the garage. Since higher rates are likely to be in effect during 1973 the Committee recommends that the estimate of income under this chapter be increased from \$85 000 to \$105 000.

recommended increase:

Income section 4. Revenue-producing activities	\$
Chapter VI. Garage operations . . . . .	20 000

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<sup>69/</sup> Ibid., Twenty-fifth Session, Supplement No.8 (A/8008), para. 383.



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