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REPORT OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT*

Administrative and financial implications of the recommendations in the Final Act relating to institutional machinery

Twenty-first report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its nineteenth session

1. The Advisory Committee on Administrative and Budgetary Questions has examined the Secretary-General's report (A/5829) on the administrative and financial implications of the recommendations relating to institutional machinery contained in the Final Act adopted by the United Nations Conference on Trade and Development, held at Geneva from 23 March to 16 June 1964. In considering this document, it obtained clarification of a number of aspects of the proposed institutional machinery from representatives of the Secretary-General of the United Nations, including the Secretary-General of the Conference on Trade and Development

The Secretary-General's proposals

2. The Secretary-General states that in preparing his report he was guided by the terms of paragraphs 26 to 29 of the recommendation contained in annex A.V.1 of the Final Act of the Conference which reads as follows:

"26. Arrangements shall be made, in accordance with Article 101 of the Charter, for the immediate establishment of an adequate, permanent and full-time secretariat within the United Nations Secretariat for the proper servicing of the Conference, the Board and its subsidiary bodies.

* Item 32 of the provisional agenda.

"27. The secretariat shall be headed by the Secretary-General of the Conference who shall be appointed by the Secretary-General of the United Nations and confirmed by the General Assembly.

"28. Adequate arrangements shall be made by the Secretary-General of the United Nations for close co-operation and co-ordination between the secretariat of the Conference and the Department of Economic and Social Affairs, including the secretariats of the regional economic commissions and other appropriate units of the United Nations Secretariat as well as with the secretariats of the specialized agencies.

"29. The expenses of the Conference, its subsidiary bodies and secretariat, shall be borne by the regular budget of the United Nations which shall include a separate budgetary provision for such expenses.

"In accordance with the practice followed by the United Nations in similar cases, arrangements shall be made for assessments on States non-Members of the United Nations which participate in the Conference."

3. For the purposes of the budget estimates presented in document A/5829, the recommendation of the Conference on institutional arrangements has been interpreted by the Secretary-General as meaning that the secretariat of the Conference should have the same status as other offices and departments in the United Nations Secretariat, and work closely with them under his direction.

4. The Secretary-General has also kept in mind that the work of the United Nations in the field of trade and development is part of the total work of the Organization in the field of international economic and social co-operation as described in Article 55 of the Charter. He has, moreover, given the assurance that he will ensure close co-operation and co-ordination between the secretariat of the Conference and the Department of Economic and Social Affairs, the regional economic commissions and other appropriate units of the United Nations Secretariat, as well as with the secretariats of the specialized agencies, as required under paragraph 28 of the recommendation contained in annex A.V.1 of the Final Act cited above.

5. In view of the provisions of the Final Act, the Secretary-General has arranged that in the future the secretariat of the Conference should provide the focal point for the study of trade trends, needs and policies. While this does not, in his opinion, mean that the secretariat of the Conference should itself attempt to carry out all the studies and be staffed with this in mind, he considers that it is nevertheless essential to provide fully adequate resources for the

Conference secretariat in order that it can, in co-operation with other units of the United Nations Secretariat and the secretariats of the specialized agencies discharge the main responsibility arising from the work on trade and development of the Conference, the Board and its subsidiary bodies.

6. The Secretary-General states in his report that in implementing paragraph 28 of the recommendation contained in annex A.V.1, he has arranged for a rational division of labour and a close working relationship between the secretariat of the Conference and the Department of Economic and Social Affairs in the areas of possible overlapping, namely (a) projections, (b) international financing for development and (c) trade in manufactures.

7. The Secretary-General has indicated that he will make provision in the future for all expenses related to Conference activities in a separate budget section. Under this arrangement, the expenses would be borne by all Member States in accordance with the normal scale of assessments established by the General Assembly. In so far as non-Member States are concerned, the Secretary-General calls attention to paragraphs 38 and 39 of the report of the Committee on Contributions to the nineteenth session of the General Assembly,^{1/} which contain the Committee's recommendations on the rates of assessment to be applied in the event that the General Assembly should decide that non-Member States should be called upon to contribute towards the expenses in respect of their participation in these activities.^{2/} For purposes of determining the amounts of the expenses to which non-Member States might be asked to contribute, the Secretary-General proposes that in the first instance, and subject to further determination as experience is gained, the expenses provided for in the separate budget section should be the basis for assessments on non-Member States. Contributions so received from non-Members would, in accordance with regulation 5.9 of the Financial Regulations of the United Nations, be credited as "miscellaneous income" of the Organization.

^{1/} Official Records of the General Assembly, Nineteenth Session, Supplement No. 10 (A/5810).

^{2/} Present indications are that such contributions would amount to approximately 8.5 per cent.

8. The Secretary-General's estimates contemplate a gradual building up of the Conference secretariat in 1965 and 1966. On this basis, professional staff requirements for the substantive secretariat of the Conference are estimated at seventy-one^{3/} for 1965 and ninety-four for 1966. These figures include provision of twenty-one professional posts for work on commodities, whereas the Department of Economic and Social Affairs has had some ten to fourteen professional posts assigned to work on trade and commodities. It is envisaged that most of these posts will be transferred to the secretariat of the Conference.

9. The Secretary-General calls attention to the fact that his estimates exclude the requirements for the servicing of:

(a) The plenipotentiary conference on Transit-trade of Land-locked Countries which is to be convened in the middle of 1965, pursuant to the recommendation contained in annex A.V.1 of the Final Act;

(b) The second Conference on Trade and Development which is to be convened early in 1966, pursuant to the terms of paragraph 32 (b) of the recommendation contained in annex A.V.1 of the Final Act;

(c) Any special conciliation machinery that might be established during 1965-1966 in terms of the report of the Special Committee on (conciliation) procedures that was convened in New York in September-October 1964 (A/5749).

10. Since the preparatory work for the 1966 Conference must be put in hand without delay, the Secretary-General has considered it necessary to include in his estimates a substantial provision for "consultants" and "temporary assistance". He points out that in some specialized fields, experience has proved that it is more convenient and effective to engage consultants rather than to add to the permanent staff. The employment of temporary assistance applies not only to substantive staff needed for the preparation of some of the studies and reports for the conference, the fifty-five-member Trade and Development Board and its subsidiary bodies, but also to conference staff such as interpreters, translators, documents staff, etc., required to service the series of meetings of the trade bodies which will be superimposed on the existing calendar of meetings. While

^{3/} According to the table giving a summary of staff needs for 1966 and 1965, in the Secretary-General's report (A/5829, annex I), the distribution of these posts would be as follows: Under-Secretary, 2; D-2, 8; D-1, 10; P-5, 10; P-4, 20; P-3, 17; P-2, 4. In addition, there would be sixty-seven general service posts.

for 1965 it is proposed that the requirements for Conference-servicing be found from the outside as additional temporary assistance, the Secretary-General states his belief that it might prove preferable and advisable in the light of the experience of servicing a full schedule of meetings during 1965 to make additions to the existing establishment of Conference-servicing staff at Headquarters and Geneva for 1966 and future years.

11. Details of the organization and cost estimates for the Conference secretariat are contained in annex I of the Secretary-General's report. Annex II contains estimates of requirements for other parts of the United Nations Secretariat which would be significantly affected by the work of the Conference secretariat. Annex III contains the requirements for the servicing of the meetings of the Trade and Development Board and its subsidiary bodies in 1965, including those for the translation, reproduction and distribution of documentation, the printing of official records of the new trade bodies and of other important studies and reports.

12. The total budgetary requirements for 1965, as set forth in annexes I, II and III of the Secretary-General's report, amount to \$3,073,600 as follows:

SUMMARY OF REQUIREMENTS FOR 1966 AND 1965

	<u>1966</u> \$	<u>1965</u> \$
I. SALARIES AND WAGES		
1. Established posts		
(a) Secretariat for Conference	1,859,000	964,000
(b) Other secretariat units at Headquarters and Geneva	282,500	213,900
2. Individual experts and consultants	150,000	200,000
3. Temporary assistance		
(a) Secretariat for Conference	40,000	50,000
(b) For servicing meetings at Headquarters . .	a/	33,500
(c) For servicing meetings at Geneva	a/	398,300
(d) For contractual translation at Headquarters	a/	92,500
(e) Internal reproduction services for preparatory documentation	a/	77,000
4. Overtime	15,000	15,000
5. Common staff costs	536,500	306,800
II. TRAVEL OF STAFF (including travel to meetings) . . .	150,000	150,000
III. HOSPITALITY (including representation allowances) . .	8,500	8,500
IV. PERMANENT EQUIPMENT	25,000	150,000
V. GENERAL EXPENSES		
(a) Communications	100,000	100,000
(b) Stationery, office supplies, and supplies for internal reproduction	65,000	65,000
(c) Rental of office space	50,000	130,000
(d) Utilities	10,000	10,000
VI. PRINTING	a/	109,100
Total	b/	3,073,600 ^{c/}
Income from Staff Assessment	393,000	212,000

Foot-notes

- a/ The requirements under these headings can only be determined on the basis of the work programme and meetings schedule for 1966.
- b/ The total for 1966 would be meaningless without the requirements referred to in a/ above and those of the second Conference on Trade and Development, the latter estimated by the Secretary-General at some \$2 million.
- c/ This figure does not include the cost of posts to be transferred from the Department of Economic and Social Affairs (twelve professional and eight general service), presently provided for under section 3 of the 1965 budget estimates (\$211,000) nor the related common staff costs presently provided for under section 4 of those estimates (\$50,000).

The Advisory Committee's comments and recommendations

13. In considering the Secretary-General's report on the administrative and financial implications of the recommendations contained in the Final Act relating to institutional machinery, the Advisory Committee has had constantly in mind the importance attached by the Conference to the need for adequate and effectively-functioning organizational arrangements to continue the work initiated by the Conference and to implement its recommendations and conclusions. With regard to the Final Act of the Conference, the Committee noted that it is to be submitted for approval by the General Assembly at the nineteenth session. One of the decisions to be taken by the General Assembly concerns the location of the Secretariat of the Conference and the General Assembly's action may well have budgetary implications. Pending such action, the Secretary-General has, for practical purposes, based his estimates on costs applicable at Headquarters, New York, except for the specific conference demands made on the European Office at Geneva. Accordingly, the Committee would wish to emphasize that its present report is to some extent of a provisional and preliminary nature. The Committee has attempted to formulate its recommendations in a general way, without entering into the specific details of particular budget items. It intends to return to this subject at its summer session in June 1965, following full consideration of the Final Act by the General Assembly.

14. One of the matters of particular concern to the Advisory Committee is the necessity to avoid overlapping and duplication of functions with other areas of the Secretariat, more particularly with the Department of Economic and Social Affairs and the regional commissions, and perhaps to a lesser degree with certain of the specialized agencies. The Committee has particularly in mind the relationship between the proposed Research Division for the Conference and the Statistical Office and the Bureau of General Economic Research and Policies of the Department of Economic and Social Affairs. It appreciates the need for continuing and expanding activity in this important field, but, at the same time, it suggests that the possibility of setting up a consolidated research centre should be fully explored and pending such a study, every effort should be made to define more clearly the respective responsibilities of the Conference and the Department of Economic and Social Affairs in this area. The Committee was given to understand

that the division of responsibilities which has been agreed upon was determined to a large extent by the requirements of the second Conference on Trade and Development to be held in 1966 and that it would be reviewed at that time. It suggests nevertheless that consideration should be given to the establishment of adequate machinery to obviate to the greatest extent possible any duplication of functions and responsibilities. In any case, possible areas of duplication should be the subject of continuing review. The Committee noted that the Secretary-General is seized of this problem and has indicated (A/5829, para. 6) three possible areas of overlapping which are receiving his attention.

15. In annex I, paragraph 6, of his report, the Secretary-General mentions that in the light of experience consideration may be given to the possibility of establishing joint administrative arrangements for all economic, social, technical assistance and Special Fund activities. The Advisory Committee endorses this proposal and hopes that consideration will be given to the establishment of such an administrative office at the earliest opportunity and to the extent possible. In the meantime, thought should be given to the merging of the Executive Office of the Conference and the division of Conference Planning and External Relations, which, in its opinion, may serve to strengthen and co-ordinate the administrative requirements of the Conference. In any event, the Committee considers that the reference to "planning" in the title of this latter division is somewhat misleading and suggests that it be suitably amended.

16. With regard to the proposed staff requirements for 1965, the Committee questioned the disproportionate number of posts at the D-2 and D-1 levels as compared with the normal staffing pattern applicable in the United Nations Secretariat as a whole. It was explained to the Committee that this was attributable in part to the level of responsibility attached to the particular posts, which, in the view of the Secretary-General of the Conference, required personnel of such high professional calibre in specialized fields, that it would not be possible to attract them if the common grading standards of the United Nations system were applied. It was also stated that the need for professional posts (levels P-1 to P-5) was limited by comparison with other departments because it was intended to make full use of the resources of other units of the United Nations Secretariat and of the specialized agencies for tasks such as basic research, normally performed at those levels.

17. The Committee is not as yet convinced of the need for the higher grading pattern proposed for the Conference secretariat and believes that every attempt should be made to preserve the existing United Nations policy of common grading standards. The Committee therefore considers that recourse should not be had to an extraordinary grading pattern unless and until experience by the Conference with the normal grading pattern has proved this to be necessary. In any case, the Committee would consider undesirable any departure from the accepted grading standards which might have repercussions on other departments. With regard to recruitment prospects the Committee would draw attention to its report to the General Assembly at its nineteenth session^{4/} on the budget estimates for 1965, with particular reference to the Secretary-General's request for new professional posts. The Committee had noted that of the 123 new professional posts proposed, 109 required highly specialized qualifications and experience, and constituted a recruitment problem of some magnitude. Of the proposed 109 new posts, sixty were in specialized fields in the economic and social areas for which qualified candidates were difficult to attract. In view of the emphasis placed by the Secretary-General of the Conference on the high calibre of staff required for the Conference, it would seem that here also considerable delays in recruitment will be inevitable. Furthermore, it would be regrettable if an attempt to obtain the total number of staff considered necessary in a limited period of time were to lead to acceptance of lower standards. The Advisory Committee, therefore, is of the opinion that the target established by the Secretary-General for 1965 both as regards the grading and numbers of staff, may be too ambitious and that a more limited manning table should be contemplated for that year.

18. The Secretary-General of the Conference informed the Committee that the requirements were based on the known workload devolving on the Conference in 1965. He recognized that the secretariat might not be able to undertake all the tasks to which reference was made in the many recommendations of the 1964 Conference, and that a selective approach would have to be considered. In the light of past experience and taking into account present circumstances, the Committee has doubts as to the feasibility of completing in 1965 the heavy meeting schedule listed in annex IV of document A/5329, and some adjustment may well have to be made in the light of experience gained in the first half of the year.

^{4/} Official Records of the General Assembly, Nineteenth Session, Supplement No. 7 (A/5307), paras. 141 and 142.

19. In view of the many uncertainties and the observations set forth above, the Advisory Committee recommends that the General Assembly approve a maximum gross expenditure of \$2.5 million for 1965, or a reduction of \$573,600 in the estimates submitted by the Secretary-General, to be applied primarily to the estimates for the secretariat of the Conference contained in annex I of document A/5829. Should the General Assembly approve the Committee's recommendation the estimated income of \$212,000 from staff assessment should be reduced in relationship to the adjustments made in staff requirements. As stated in paragraph 13, the Committee's recommendation is provisional and subject to review in June 1965.
20. The Committee has not yet had an opportunity of examining the administrative and budgetary implications of the Secretary-General's proposal, referred to in paragraph 7 above, to make provision for all expenses related to the activities of the Conference in a separate budget section, and it consequently has no comment to make thereon at the present time.
