



ST/SGB/127
23 September 1963

SECRETARY GENERAL'S BULLETIN

To: Members of the Staff

Subject: THE ASIAN INSTITUTE FOR ECONOMIC DEVELOPMENT AND PLANNING:
ARRANGEMENTS FOR ADMINISTRATIVE SERVICING AND PROMULGATION
OF PROVISIONAL FINANCIAL RULES

This Bulletin establishes the arrangements for provision of financial, personnel and other administrative services to the newly created Asian Institute for Economic Development and Planning.

A. General Arrangements

1. The Institute, an autonomous institution under the aegis of the Economic Commission for Asia and the Far East (ECAFE), is an autonomous financial entity of the United Nations with clearly defined sources of funds and expenditure plans. As provided by Resolution 43 (XIX) of ECAFE, the Governing Council of the Institute is to submit to ECAFE, prior to its twenty-third session, in 1967, a proposal designed to ensure its continuing operation as an institution of the participating governments.
2. The Institute is financially accountable and provisional financial rules, conforming to the relevant financial policies and practices of the United Nations, have been developed for it (see Annex I).
3. The ECAFE general administrative, personnel and financial services are to be available to the Institute, for so long as is needful, without extra cost to the regular budget of the United Nations.

4. The Institute will have an administrative officer, paid from Institute funds, who shall, for the first year of operations at least, be considered as out-posted from the Administrative Division of ECAFE and subject to the technical guidance of the Chief of the Administration of ECAFE.

B. Financial Arrangements

1. The provisional financial rules appear in Annex I.
2. Ancillary projects involving separate financing outside Institute funds, such as projects financed directly from expanded programme or other technical assistance funds or from governmental sources shall not fall within the authority of the provisional financial rules. For such projects, the financial and administrative arrangements shall be those appropriate to the specific source of funds.
3. In order to consolidate those accounts of the Institute which relate to Special Fund monies with all other Special Fund project accounts, the Controller will charge, upon receipt of the Institute accounts relating to Special Fund monies, the appropriate project account (series 40000) with the expenditure reported.
4. The Institute payroll is maintained at ECAFE. If, in effecting payments, salary or other, ECAFE and BTAO agree that for currency reasons payments of any sort could best be made by Headquarters or by an office of the Technical Assistance Board, this will be done on direct order of ECAFE which will be charged by interoffice voucher.
5. At least for the first year of operations, monthly financial statements and any administrative reports or inquiries will be forwarded to Headquarters by the Division of Administration of ECAFE.

C. Arrangements for Recruitment and Personnel Administration

1. The staff of the Institute will be appointed by the Director in consultation with the Executive Secretary of the Economic Commission for Asia and the Far East. ^{1/}

1/ Who is the chairman ex officio of the Institute's Governing Council.

2. Letters of Appointment for project personnel may be signed on behalf of the Director by the Chief of the Division of Administration of ECAFE.
3. An Appointment Committee has been established to advise and make recommendations to the Director on the appointment of staff, consisting of one member appointed by the Director of the Institute, one by the Executive-Secretary of ECAFE, and another by the Director of Personnel. In making their recommendations, members of the Appointment Committee will ensure that the terms and conditions proposed are in general conformity with terms and conditions of appointment to comparable posts in the United Nations technical assistance projects and programmes. In particular the Appointment Committee should consult Headquarters before making any recommendation involving staff members of the Secretariat or project personnel already holding contracts under the Technical Assistance Programmes. For the first year of operation at least all recommendations at Level 6 or 7 should be cleared by the Committee with Headquarters.
4. All appointments shall be fixed-term appointments limited to service with the Institute and charged against the manning table of the Institute. Where a new appointment is made against project funds, it will not exceed a period of five years or the balance of the period during which United Nations funds will be used by the project, whichever period is shorter.
5. Appointments of project personnel shall be made under United Nations rules in the 200 series governing the conditions of service applicable to project personnel employed on the various United Nations programmes of technical assistance. With a view to securing uniformity of standards on project appointments, the United Nations Technical Assistance Recruitment Services will provide maximum assistance and policy guidance. The ECAFE Division of Administration will also have maximum assistance from Headquarters in the discovery and assessment of candidates for appointment to the Institute, as and when necessary.
6. Personnel actions which involve or may involve commitments on the ECAFE or other United Nations manning tables (secondments, details, transfers, special post allowances, etc.) can be issued only after consultation with and the approval of the Director of Personnel, who, where necessary, will request the Appointment and Promotion Board to make a recommendation to the Secretary-General.

7. In the selection and appointment of local staff in the General Service category, maximum responsibility may be assumed by the Division of Administration of ECAFE.

U THANT
Secretary-General

ANNEX I

Provisional Financial Rules for the Asian Institute
for Economic Development and Planning

(Promulgated by the Secretary-General, with effect from date of issue,
subject to the review and consultations called for in Article 10.1)

Article I - Applicability

1.1 These rules are established in accordance with and under the authority of the United Nations Financial Regulations and in the light of ECOSOC resolution 946 (XXXVI) and ECAFE resolution 43 (XIX) entitled "The Asian Institute for Economic Development and Planning". The rules shall govern the administration of all funds which the Director of the Institute is authorized to administer.

Article II - The Financial Year

2.1 The financial year shall be the period from 1 January to 31 December.

Article III - Resources

3.1 The resources of the Institute consist of:

- (a) funds received from the Special Fund of the United Nations;
- (b) such voluntary cash contributions as may be received from Governments which are members of the United Nations or of any specialized agency of the United Nations or members or associate members of ECAFE;
- (c) such additional contributions in kind which, being appropriate and usable for the purposes of the Institute, are accepted from any of the governments referred to in sub-paragraph (b) above;
- (d) such voluntary gifts or donations from any non-governmental sources which the Director, with the approval of the Chairman of the Governing Council, may accept as being appropriate and usable for the purposes of the Institute;
- (e) monies received from Governments in connexion with projects undertaken on their behalf.

3.2. All income, except the income referred to in Article 3.1, shall be classified as miscellaneous income and retained by the Institute in a Surplus Account.

/...

Income attributable to a particular fund, for which separate accounting is required, shall be retained by the Institute to the credit of the source of funds from which the income derived.

Article IV - Annual Budget

- 4.1 The Director shall prepare an annual budget which shall consist of:
- (a) estimates for utilization of the Special Fund resources referred to in Article 3.1 (a) above, providing details in support of the work programmes called for under paragraph 17 of the Special Fund Plan of Operation for the Institute; and
 - (b) estimates for the utilization of the remaining resources referred to in Article 3.1.
- 4.2. The annual budget of the Institute as drafted by the Director shall be submitted for review to the Headquarters of the United Nations, which shall be responsible for obtaining the concurrence and necessary financial authorizations from the Special Fund in respect of the proposed use of resources referred to in Article 4.1 (a) above. The channel of communication with the Headquarters of the United Nations shall be through the Executive Secretary of ECAFE to the Director of Special Fund Activities.
- 4.3 The annual budget shall be submitted to the Governing Council of the Institute for review and approval.
- 4.4 Revisions of the approved budget may be proposed by the Director in the course of the financial year, utilizing the same procedures for submission and approval as obtained in the case of the initial plan of expenditure.
- 4.5 The budget as approved by the Governing Council of the Institute shall constitute an authorization to the Director to incur obligations and make payments for the purposes of that budget.
- 4.6. Transfers between items in the approved budget may be made on the authority of the Director, except that:
- (a) all transfers between main headings of expenditure shall require the prior concurrence of the Executive-Secretary of ECAFE;
 - (b) any transfers which, under the Special Fund Plan of Operation would require the approval of the Special Fund shall be proposed through

the Executive-Secretary of ECAFE to the Director of Special Fund Activities, who shall seek the concurrence of the Special Fund.

- 4.7 Unencumbered balances at the end of a financial year shall be treated in each case in accordance with the conditions applicable to the source of funds involved.
- 4.8 In preparing the draft annual budget and in publishing the budget as approved, the Director shall follow normal United Nations budget presentation practices as they have been developed for comparable operational activities.

Article V - Administration of Funds

- 5.1 Subject to Article IV, the Director may incur obligations and make expenditures for the purposes of implementing the approved budget to the extent that monies are available to him, provided that monies received from the Special Fund shall be administered in accordance with the Special Fund Plan of Operation.
- 5.2 In the administration of Special Fund monies the Director shall record commitments for the full period of contractual obligations.
- 5.3 Except as otherwise required by Article 5.1 and 5.2 above, the incurring of obligations and disbursement of funds by or for the Institute shall accord with the appropriate financial rules, policies and practices followed by the United Nations for its operational programmes.

Article VI - Custody of Funds

- 6.1 On behalf of the Secretary-General, the United Nations Controller shall act as custodian of all funds available for the Institute, shall designate the bank or banks in which such funds shall be kept and shall designate signatories to operate the bank accounts.
- 6.2 Monies not required immediately may be invested by the United Nations Controller in accordance with established policies of the United Nations, and income from investments shall be credited as provided in Article 3.2.

Article VII - Financial Procedures and Practices

- 7.1 Unless otherwise required by Article V or otherwise determined by the United Nations Controller in consultation with the Director of the Institute, the financial procedures and practices established for the Institute, including those relating to internal control and internal audit, shall accord with the financial rules, policies and practices of the United Nations for its operational programmes.
- 7.2 In particular, the following procedures shall apply:
- (a) An official receipt shall be issued in respect of all monies received.
 - (b) Only officials duly designated by the Controller or the Director shall be authorized to issue such receipts. In cases where officials other than those authorized to issue official receipts receive monies intended for the Institute they shall immediately transmit such monies in full to the cashier or other official authorized to issue an official receipt.
 - (c) Receipts shall be recorded in the accounts on the date the remittance is received.
 - (d) All monies received shall be deposited intact in an official bank account not later than the business day following the date of receipt.
 - (e) Petty cash advances and Cashier's Fund advances may be made to officers designated by the Director. The accounts therefor shall normally be maintained on an imprest system. The amount and purposes of each advance shall be defined by the Director, the amount being held to the minimum compatible with working requirements.
 - (f) Officers to whom cash advances are issued under Article 7.2 (e) shall make use of such advances only for the purpose for which the advances were authorized and shall be personally responsible therefor. They shall render accounts as required by the Director which, unless otherwise provided, shall be not less frequently than once a month. They shall be in a position at all times to account for the advances. Cash or negotiable instruments shall be kept in safe custody.
 - (g) In addition to advances specified in these rules, the Director may make such other cash advances as he may deem necessary, subject to the prior approval of the ECAFE official designated by the United Nations Controller.

- (h) Officials responsible for the operation of the Institute bank accounts, or for holding Institute cash or negotiable instruments, are not authorized to exchange one currency for another except to the minimum extent essential for the transaction of official business.
- (i) Only those officials designated by the Controller may approve payments on behalf of the Institute, including any advances.
- (j) Payments shall be made on the basis of supporting vouchers and other documents which indicate that the goods or services have been received in accordance with the documents establishing the obligations, that payment has not previously been made, and that the payment is properly due.
- (k) The designation of certifying officers who will be authorized to incur expenditures on behalf of the Director shall be made by the United Nations Controller.

7.3 Additionally, in the execution of the annual approved budget:

- (a) The written authority of the Director, or such other officer as he may designate in writing, shall be required for the employment of any consultant;
- (b) Contracts for supplies, equipment and other requirements shall be let after advertising and competitive bidding, following any applicable provisions of the United Nations Financial Rules, including the provisions relating to the Committee on Contracts, and policies and practices followed to give effect thereto, except where otherwise required by the provisions relating to the funds from which such contracts are to be financed.

Article VIII - Accounts and Financial Reports

- 8.1 The Director shall maintain such accounting records and submit such periodic accounts as are requested of him by the United Nations Controller, who shall be responsible for consolidating the financial accounts of the Institute into the United Nations Year-end Accounts.

- 8.2 To permit the United Nations to comply with paragraphs 19 and 21 of the Special Fund Plan of Operation, the Director shall prepare semi-annual financial statements for the Institute as of 30 June and 31 December. These statements shall be submitted to the Executive-Secretary of ECAFE who shall transmit them to the Director of Special Fund Activities.

Article IX - External Audit

- 9.1 Funds administered by and for the Institute shall, in accordance with United Nations Financial Regulations, be subject to audit by the United Nations Board of Auditors.

Article X - General

- 10.1 These rules shall enter into force upon issuance by the Secretary-General after review and approval by the Advisory Committee on Administrative and Budgetary Questions and the Governing Council of the Institute.
- 10.2 These rules may be amplified by administrative instructions issued by the United Nations Controller.
-