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PROGRAMME BUDGET FOR THE BIENNIUM 1982-1983

Review of the financing of the administrative costs of the Office of the United Nations High Commissioner for Refugees

Fourth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report by the Secretary-General on the review of the financing of the administrative costs of the Office of the United Nations High Commissioner for Refugees which he carried out jointly with the High Commissioner pursuant to section XIII of General Assembly resolution 36/235 (A/C.5/37/1).
2. After describing the historical background of the question in paragraphs 6 to 17, and giving an account of the method for the joint review (paras. 18-20), the Secretary-General sets out the results of the review in paragraphs 21 to 47.
3. In paragraph 48 the Secretary-General states that

"It is abundantly clear ... that there is a need to rationalize the present apportionment of UNHCR's administrative expenditure between regular funds and extrabudgetary resources. A number of posts hitherto charged to the regular programme budget should be financed under voluntary funds; conversely, the regular programme budget should meet the costs of other posts presently financed by extrabudgetary resources."
4. As is stated in paragraph 49, it is proposed that 65 Professional posts, currently charged to voluntary funds, be transferred to the regular programme budget, and that 45 General Service posts be transferred from the regular programme budget to extrabudgetary funds. In paragraph 51, the additional cost to the regular programme budget is given as \$4.1 million a year at 1982 rates.

5. The 65 Professional posts proposed for transfer to the regular programme budget are located as follows:

Executive direction and management	4
Direction and co-ordination of protection	7
Regional co-ordination at Headquarters	7
Regular field operations	33
External relations, information and fund-raising	8
Administration, management and general services	6
	<u>65</u>

6. Their breakdown by grade is as follows:

D-2	2
D-1	16
P-5	13
P-4	12
P-3	21
P-2/1	1
	<u>65</u>

7. In paragraph 52, the Secretary-General states that

"Should the General Assembly endorse the conclusion of the joint survey, the Secretary-General would intend to include the resulting proposals in the programme budget over three biennia, i.e., from 1984 to 1989. These proposals would be prepared in close consultation with the High Commissioner, but it would be the Secretary-General's final responsibility to decide on their extent and precise formulation in the light of his over-all programme budget policy."

8. In this connexion the Advisory Committee recalls that, in paragraph 290 of its second report of 1951 to the General Assembly at its sixth session, the Committee stated that it

"considers it necessary to point out that, in its judgement, paragraphs 18, 20 and 21 of the Statute of the Office of the High Commissioner establish beyond doubt that, as in the case of the departments of the Secretariat, budgetary and financial control of this Office is vested in the Secretary-General". 1/

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9. The review covered the staffing resources of the Office of the High Commissioner as at the beginning of 1982. The procedures for reviewing such additional extrabudgetary posts as may be created after that date and may subsequently be proposed for transfer to regular programme budget financing are suggested in paragraph 55 of the Secretary-General's report. In this connexion, the Advisory Committee notes that the High Commissioner has already requested the Executive Committee of the Programme to establish 18 additional extrabudgetary posts as from 1 October 1982, and 12 further posts as from 1 January 1983 (A/AC.96/606).

Observations of the Advisory Committee

10. The Statute of the Office of UNHCR, as annexed to General Assembly resolution 428 (V) of 14 December 1950, contains the following provisions on budgetary matters:

"18. The Secretary-General shall provide the High Commissioner with all necessary facilities within budgetary limitations.

"...

"20. The Office of the High Commissioner shall be financed under the budget of the United Nations. Unless the General Assembly subsequently decides otherwise, no expenditure, other than administrative expenditures relating to the functioning of the Office of the High Commissioner, shall be borne on the budget of the United Nations and all other expenditures relating to the activities of the High Commissioner shall be financed by voluntary contributions.

"21. The administration of the Office of the High Commissioner shall be subject to the Financial Regulations of the United Nations and to the financial rules promulgated thereunder by the Secretary-General."

11. Thus, it is clearly stipulated in the Statute that regular-budget financing is to be limited to "administrative expenditures relating to the functioning of the Office of the High Commissioner". However, the Statute does not define what is meant by "administrative expenditures". As the Secretary-General recalls in paragraphs 9 to 11 of his report, the Advisory Committee offered a definition in a report it submitted to the General Assembly at its seventh session. ^{2/} This definition, on which all subsequent arrangements have been based, described administrative expenses as being all expenses other than operational expenses and the related management costs.

12. In other words the term "administrative expenditures relating to the functioning of the Office of the High Commissioner" in article 20 of the Statute has been interpreted as excluding administrative expenses related to operational activities. This interpretation is retained by the Secretary-General in his report in document A/C.5/37/1. In the opinion of the Advisory Committee this interpretation remains valid for, were it otherwise, the regular budget would become liable for administrative expenses related to operations over which the General Assembly had no direct budgetary control.

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13. In this connexion, the Advisory Committee draws attention to what it believes to be an ambiguity in paragraph 55 (a) of the report by the Secretary-General where reference is made to the "statutory functions" of the High Commissioner. The Committee points out that all functions (including operational activities) specified in the Statute are "statutory functions", but that the responsibility of the regular budget is limited to "administrative expenditures relating to the functioning of the Office of the High Commissioner".

14. A comparison between the regular-budget staffing table of the Office of the High Commissioner, as approved for 1974-1975 (the beginning of the four-year "freeze") and for 1982-1983, and as proposed by the Secretary-General for 1988-1989 in paragraphs 51 and 52 of document A/C.5/37/1, is given in the following table:

	<u>Professional and above</u>	<u>General Service and local</u>	<u>Total</u>
1974-1975 (approved)	95	185	280
1982-1983 (approved)	105	192	297
1988-1989 (proposed)	170	147	317

15. Bearing in mind in particular the impact which the emergence of new refugee situations since 1974 must have had on "administrative expenditures relating to the functioning of the Office of the High Commissioner" the Advisory Committee does not dispute that in principle there may be need to charge some additional posts to the regular budget. The number and nature of such posts to be transferred in a given biennium, however, will require General Assembly decision. The Advisory Committee believes that the Assembly should be provided with all necessary data to enable it to take informed decisions.

16. In the first place, there will be need for the Secretary-General to demonstrate the continued need for the posts he might propose for transfer. All the posts in question were created in response to new refugee situations. The General Assembly will have to be satisfied that they are still required. In this connexion, the Advisory Committee recalls that the Administrative Management Service is currently studying the staffing and organization of the Office of the High Commissioner.

17. Secondly, when the posts proposed in document A/C.5/37/1 for transfer were created, they were not graded in the manner prescribed by current United Nations procedures. Accordingly, the grading of all posts proposed for transfer to the regular budget must be reviewed and concurred in by the Classification Section of the Office of Personnel Services of the Secretariat.

18. The Advisory Committee notes that half (33 out of 65) of the posts proposed for transfer are field posts. In this connexion, the Committee points out that the location and grading of field posts vary (sometimes from year to year) in response to changes in refugee situations. In the circumstances, the Committee believes that, within the over-all approved establishment, the High Commissioner should continue to have the necessary flexibility to transfer posts between countries, and that the country locations given in annex II to document A/C.5/37/1 should be regarded as indicative of the situation as of the particular moment (beginning of 1982) when the review was carried out.

19. In paragraphs 54 and 55 the Secretary-General suggests procedures for the establishment of extrabudgetary posts subsequent to the beginning of 1982 which might be considered for transfer to regular-budget financing at some later date. In paragraph 55 (d) it is stated that "the Secretary-General and the High Commissioner agree that unless unforeseen situations arise no proposals for the transfer of additional posts over and above those identified in this joint survey would be made before the 1990-1991 biennium".

20. The Committee agrees that the procedures outlined in paragraph 55 constitute an improvement compared with those currently in effect with regard to the creation of new extrabudgetary posts. At the same time the Committee stresses that each proposal for the transfer of a post or posts to the regular budget will have to be considered on its merits in the light, inter alia, of what has been said in paragraph 16 to 18 above.

21. Accordingly, the Advisory Committee believes that decisions by the General Assembly on the Secretary-General's proposals for the transfer of posts should be taken on a case-by-case basis in the context of his proposed programme budgets for 1984-1985 and subsequent biennia.

22. In the light of the foregoing the Advisory Committee recommends that the General Assembly should take note of the report of the Secretary-General in document A/C.5/37/1, and concur in the comments and observations of the Committee in this report.

Notes

1/ Official Records of the General Assembly, Sixth Session, Supplement No. 7 (A/1853), para. 290.

2/ Ibid., Seventh Session, Supplement No. 7 (A/2157), paras. 361-367.
