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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Institutional arrangements for international co-operation in the  
field of human settlements

Administrative and financial implications of the draft  
resolution contained in document A/C.2/32/L.41/Rev.1

Twenty-ninth report of the Advisory Committee on Administrative  
and Budgetary Questions to the General Assembly at its  
thirty-second session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the Secretary-General's statement of administrative and financial implications (A/C.5/32/91 and Corr.1) of draft resolution A/C.2/32/L.41/Rev.1, adopted by the Second Committee at its 57th meeting on 9 December 1977. The draft resolution concerns institutional arrangements for international co-operation in the field of human settlements.

2. Background information on previous developments with regard to institutional arrangements on human settlements is provided by the Secretary-General in paragraphs 2 and 3 of his statement. The Advisory Committee notes, from paragraph 3, that the revised assumptions used by the Secretary-General for the purposes of this statement would be subject to subsequent review by the Economic and Social Council as well as by the proposed new Commission on Human Settlements and the Executive Director of the Centre for Human Settlements.

Commission on Human Settlements

3. As indicated in paragraph 4 of the Secretary-General's statement (A/C.5/32/91 and Corr.1), under operative paragraph 2 of the draft resolution, the General Assembly would decide that the Economic and Social Council should transform the Committee on Housing, Building and Planning into a Commission

on Human Settlements. Under operative paragraph 3, the Commission would discharge, inter alia, the responsibilities at present exercised by the Committee on Housing, Building and Planning. Lastly, under operative paragraph 6, the General Assembly would decide that the first session of the Commission on Human Settlements would be held in the first half of 1978.

4. For the reasons given in paragraph 5 of his statement, the Secretary-General does not at this stage expect the above changes to result in any additional cost with respect to conference servicing. As indicated in paragraph 5, the Secretary-General proposes to establish a new section 13 B entitled "Habitat: Human Settlements" under which it is proposed to show all the costs which would result from the adoption of draft resolution A/C.2/32/L.41/Rev.1.

5. In paragraph 6 of his statement, the Secretary-General estimates that an amount of \$10,200 would be required for a meeting between the staff of the current Centre for Housing, Building and Planning, United Nations Habitat and Human Settlements Foundation and representatives of the regional commissions prior to the first session of the Commission in order to prepare work programme proposals. The Advisory Committee does not object to this estimate.

Identification of the resources to be earmarked for Habitat,  
the Centre for Human Settlements

6. As indicated in paragraph 7 of the Secretary-General's statement (A/C.5/32/91 and Corr.1) under operative paragraphs 8, 9 and 10 of draft resolution VII, the General Assembly would decide:

(a) That a small and effective secretariat should be established in the United Nations to service the Commission on Human Settlements and to serve as a focal point for human settlements action and the co-ordination of activities within the United Nations system, to be named "Habitat, the Centre for Human Settlements";

(b) That the Habitat Centre should be headed by an Executive Director, at a level to be determined later, who should report to the Secretary-General until such time as any relevant recommendations of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System could be taken into account;

(c) That the Executive Director should be responsible for the management of the Habitat Centre which would comprise the posts and budgetary resources of the following:

- (i) The Centre for Housing, Building and Planning of the Department of Economic and Social Affairs;
- (ii) The appropriate section of the Division of Economic and Social Programmes of the United Nations Environment Programme directly concerned with human settlements, with the exception of the posts required by UNEP to exercise its responsibilities for the environmental aspects and consequences of human settlements planning;

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- (iii) The United Nations Habitat and Human Settlements Foundation;
- (iv) As appropriate, selected posts and associated resources from relevant parts of the Department of Economic and Social Affairs.

7. The Advisory Committee draws the attention of the Fifth Committee to the fact that incorporation of the United Nations Habitat and Human Settlements Foundation into the Habitat Centre might affect the institutional framework of the Foundation; this should be borne in mind when the Advisory Committee's report on administrative arrangements regarding the United Nations Habitat and Human Settlements Foundation (A/32/8/Add.6) is considered by the Fifth Committee.

8. In paragraph 8 of his statement (A/C.5/32/91 and Corr.1), the Secretary-General discusses the posts which would be available for redeployment to the new unit and compares current projections, shown in annex I to his statement, with what had been contemplated in his report to the thirty-first session of the General Assembly on the financial implications of alternative institutional arrangements for Habitat (A/31/156/Add.2). The Secretary-General states that 166 posts would be available for redeployment to the Centre (77 Professional and 89 local level). The regular budget would account for 48 of these posts, while 118 would be financed from extrabudgetary sources. 1/

9. The Advisory Committee understands, from paragraph 8 of the Secretary-General's statement, that there is a difference of 43 posts between what is now considered as being available for transfer and what had been contemplated earlier. In the opinion of the Advisory Committee this difference has not been explained satisfactorily.

Costs relating to the establishment of the  
Centre at Nairobi

10. Under operative paragraph 14 of draft resolution VII, the General Assembly would decide that there should be close links between the Centre and the United Nations Environment Programme and that for this reason the location of the Centre should be at Nairobi. The Secretary-General has accordingly made a series of assumptions which are described in paragraphs 9 to 16 of his statement (A/C.5/32/91 and Corr.1). In paragraph 18 he provides estimates of the financial implications of establishing the Centre at Nairobi on the basis of the assumptions he has made; these amount to a total of \$2,937,000 in

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1/ The Advisory Committee has been informed that the figures given in annex I to A/C.5/32/91 are overstated by two local level posts. The figures cited by the Advisory Committee above reflect a correction of this error.

non-recurrent costs, of which \$1,072,000 would relate to the 1978-1979 biennium (under proposed section 13 B), and a total of \$1,180,777 2/ for 1978-1979 in recurrent costs. The recurrent costs correspond to the difference between estimated expenditure under the proposed section 13 B and estimated savings under sections 4 and 5 A.

11. The Advisory Committee notes that in paragraph 17 of his statement, the Secretary-General indicates that arriving at an estimate of the net increase in recurrent costs which would reflect the savings at Headquarters in respect of administrative and common services is not easily susceptible to a quantitative measurement. The Committee recalls, however, that when additional posts are recommended for Headquarters a common services factor for such items as furniture, accommodation, communication and office supplies and equipment is usually added to the cost of the proposed post. Since it is currently envisaged by the Secretary-General that 48 regular budget posts could be transferred to the Centre from the Department of Economic and Social Affairs, 3/ the Advisory Committee recommends that this decrease in the number of posts at Headquarters be reflected in a consequential reduction for related common services under section 22. Applying the factor used to estimate the common services costs of new posts in New York, the amount which pertains to 40 posts 4/ becomes \$157,000 for 1979 only (on the basis that these posts will not really begin to move from Headquarters until 1979 (see para. 14 below). The Committee recommends therefore that recurrent costs for 1978-1979 relating to the establishment of the Centre at Nairobi be offset by a decrease of \$157,000 under section 22.

12. The Advisory Committee notes, from paragraph 9 (a) of the Secretary-General's statement, that the average cost of transfer of each Professional staff member from New York to Nairobi is estimated at \$15,800. The Committee was informed that the cost of transferring both regular budget and extrabudgetary Professional staff (total of 48) is being charged to the proposed section 13 B since the Secretary-General considers that the responsibility for the transfer of staff to the Centre falls under the regular budget. The Committee understands, however, that the estimate of \$15,800 per staff member is based on the exercise of full entitlement, under chapter VII of the Staff Rules and Regulations, by each staff member concerned. The Committee doubts whether in fact the full entitlement will be necessary in each case. Accordingly, the Committee recommends that the amount of \$632,000 given in paragraph 18 A for common staff costs on transfer be reduced by \$182,000 to \$450,000.

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2/ The Advisory Committee has been informed that the figure of \$1,203,275 given in A/C.5/32/91 is incorrect, as it includes provision for one regular budget local level post too many. Consequently, there is a need to reduce the Secretary-General's estimate by \$22,500 (\$15,000 for established posts and \$7,500 for Common Staff Costs).

3/ See annex I to A/C.5/32/91 with figures for regular budget General Service corrected to total 18 and extrabudgetary General Service corrected to total 71 (see preceding foot-notes).

4/ Estimates are based on 40 rather than 48 to take account of possible reassignments.

13. In paragraph 9 (c) of his statement, the Secretary-General indicates his belief that an additional office wing would have to be provided in the permanent headquarters at Nairobi for the purpose of accommodating the Centre. The costs of such additional construction would not arise until the 1980-1981 and 1982-1983 biennia. The Advisory Committee doubts whether the assumption can be made at this point that the additional construction envisaged by the Secretary-General will be necessary. The Advisory Committee believes that before it is decided to undertake additional construction, space requirements currently estimated for the specialized agencies which may occupy the building, as well as the per capita space allocation for staff in the new headquarters building should be re-examined (see A/C.5/32/19, paras. 15 and 21). The Committee is also of the view that priority should be given to accommodating United Nations units. Further, in view of the fact that additional space has been reserved for future growth (see A/C.5/32/19, para. 19), time should be given for the actual occupancy pattern of the building to emerge before a decision is made to build additional space. Finally, in making these observations, the Advisory Committee bore in mind the relative ease with which the project can be extended should the need arise (A/C.5/32/19, para. 23).

14. In paragraph 15 of his statement (A/C.5/32/91 and Corr.1), the Secretary-General estimates that 8 Professional and 12 General Service posts would be needed to provide financial, personnel and conference services for the Centre. However, the requested posts are neither described nor justified in the statement. Moreover, the extent to which these services will be required for 1978-1979 will only emerge as the transferred staff begin to arrive and organize into a working situation. The Advisory Committee does not believe that full operational status will be achieved at the Centre at Nairobi until at least the beginning of 1979. Bearing in mind the staff resources under Administrative and Conference Services which will be available to UNEP for 1978-1979 (see A/C.5/32/91, para. 14) and which could "fill in" as necessary to provide services to the Centre in 1978, the Committee recommends against approval of the proposed posts for the time being. Requests for the posts could be resubmitted in the context of the 1978-1979 first performance report at which time they would be examined by the Committee in the light of the justifications provided and on the basis of the actual experience thus far.

15. Paragraph 15 of the Secretary-General's statement also contains requests for messengers, drivers and security staff as well as a supervisor. A total of 19 posts are requested (18 local-level and 1 P-2) of which all but 6 local-level would be on a temporary assistance basis. Bearing in mind the tentative nature of the estimates and the fact that actual needs can only be assessed as and when the Centre begins to function at Nairobi, the Committee recommends that all 19 posts be provided on a temporary assistance basis. In this connexion, the Committee understands that estimates for temporary assistance have been calculated on a 65 per cent basis for 1978 and full cost for 1979. As stated in paragraph 14 above, the Committee does not expect that the Centre will become fully operational until some time in 1979. The Committee therefore recommends that temporary assistance estimates be calculated on a 35 per cent basis for 1978 and full cost for 1979.

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16. The effect of the Advisory Committee's recommendations in paragraphs 14 and 15 above on the amounts given in paragraph 18 of the Secretary-General's statement would be:

(a) To increase non-recurrent costs for general temporary assistance by \$43,000 from \$236,000 to \$279,000;

(b) To decrease recurrent costs in 1978-1979 for established new posts by \$399,000 from \$536,500 to \$137,500 and for recurrent other common staff costs by \$200,000 from \$1,225,325 5/ to \$1,025,325.

17. Other estimates of recurrent costs under proposed section 3B, given in paragraph 18 of the Secretary-General's statement (travel, printing, utilities, equipment, communications, hospitality, supplies and miscellaneous), amount to a total of \$394,000 for 1978-1979. Although it is indicated for some of these items that account has been taken of the phased beginning of operations at Nairobi, the Advisory Committee, in view of its observations and recommendations in paragraphs 14 and 15 above, believes that a further reduction of \$119,000 to \$275,000 for these items is possible.

#### Organization at the regional level

18. Under operative paragraph 16 of draft resolution A/C.2/32/L.41/Rev.1, the General Assembly would recommend that the regional commissions consider the establishment of regional intergovernmental committees on human settlements, comprising all members, where such committees do not already exist. The Secretary-General indicates in paragraph 19 of his statement (A/C.5/32/91) that as the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific already have committees dealing with human settlements, it is envisaged that the Economic Commission for Latin America, the Economic Commission for Africa and the Economic Commission for Western Asia should consider this item at their next respective sessions. The Secretary-General indicates further that detailed financial implications of the meetings would be prepared at that time by the secretariats of the regional commissions concerned. It can, however, be estimated at this stage that the related conference servicing costs for one one-week session at the headquarters of the three commissions during the 1978-1979 biennium would be of the order of \$20,000 each.

19. As indicated in paragraph 19 of the Secretary-General's statement, under operative paragraphs 19 and 21 of draft resolution A/C.2/32/L.41/Rev.1, the General Assembly would recommend further that:

(a) Each regional committee on human settlements should be served by a unit of the secretariat of the parent regional commission under an executive officer; these units should preferably be established as soon as possible and should be provided with the necessary resources for their operations;

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5/ Figure corrected to reflect one less regular budget General Service post.

(b) The posts and budgetary resources available to each regional unit should consist of those available from the regular budgetary resources and those redeployed from the aggregate posts available to the central secretariat, voluntary contributions, including those made to the United Nations Habitat and Human Settlements Foundation, as well as selected resources currently available to each region.

20. As pointed out in paragraph 21 of his statement the Secretary-General does not consider that the establishment of these units will have financial implications.

#### Recapitulation

21. Taking into account its recommendations in paragraphs 11, 12, 16 and 17 above, the Advisory Committee recommends that the Fifth Committee inform the General Assembly that should it adopt draft resolution A/C.2/32/L.41/Rev.1, a net additional appropriation in the amount of \$1,298,800 would be required for the 1978-1979 biennium as follows:

	<u>US dollars</u>
Section 4. Policy-making organs (Department of Economic and Social Affairs) . . . . .	(17,300)
Section 5A. Department of Economic and Social Affairs . . . . .	(3,223,100)
Section 8. Economic Commission for Latin America . . . . .	20,000
Section 9. Economic Commission for Africa . . . . .	20,000
Section 10. Economic Commission for Western Asia . . . . .	20,000
Section 13B. Habitat: Human Settlements . . . . .	4,636,200
Section 22. Administration, management and general services . . . . .	(157,000)
Section 25. Staff assessment . . . . .	34,800
Income section 1. Income from staff assessment . . . . .	<u>(34,800)</u>
TOTAL	1,298,800

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