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RESTRUCTURING OF THE ECONOMIC AND SOCIAL SECTORS  
OF THE UNITED NATIONS SYSTEM

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Administrative and financial implications of the draft report of the  
Ad Hoc Committee on the Restructuring of the Economic and Social  
Sectors of the United Nations System

I. Introduction

1. The Secretary-General submits herewith in accordance with rule 153 of the rules of procedure of the General Assembly and with regulation 13.1 of the Financial Regulations of the United Nations, the administrative and financial implications of the recommendations of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System based on the draft report of the Committee as prepared by the rapporteur in the light of the deliberations of the Contact Group. These recommendations are contained in chapter III of the aforementioned draft report of the Ad Hoc Committee (A/AC.179/L.11/Add.1/Rev.1). In the following text, the references to the "report" of the Committee should be read as referring to the draft report.

2. Given the circumstances in which the Committee completed its work and submitted its recommendations and the time constraints under which the Secretary-General has therefore had to prepare these administrative and financial implications, the Secretary-General is submitting herewith a single statement of such implications in the form of a document of the Fifth Committee, which is being made available simultaneously to the Ad Hoc Committee, the Economic and Social Council, the Second Committee and the Fifth Committee in compliance with the relevant rules of procedure.

II. General considerations

3. The Secretary-General has had the benefit of consultations, directly and through his representatives with the Committee, its contact group and its Chairman, and has consequently been informed of the main considerations which the Committee

had in mind as it progressed towards the formulation of the positions which have been included in its final recommendations.

4. The Under-Secretary-General for Administration and Management has recently appeared before the contact group of the Committee at its invitation in order to put before the Committee certain questions, as well as a number of assumptions, which the Secretary-General would derive from the Committee's recommendations and formulations in its report, particularly in respect of section VIII of the recommendations which provides guidelines in respect of the secretariat support services, the detailed implementation of which the Secretary-General would carry out in the exercise of his powers under the Charter.

5. In section VIII of its recommendations, the Committee has recognized fully the prerogatives of the Secretary-General under the Charter as Chief Administrative Officer and has accordingly left to him the responsibility of making organizational recommendations to the General Assembly. The Secretary-General has been informed furthermore that the Committee adopted an approach to its complex task whereby it sought to define, in the first instance, those functions, the discharge of which were indispensable to the Economic and Social Council and the General Assembly for the carrying out of their roles under the Charter. The Committee, having defined these functions, then endeavoured to provide guidelines as to the relationship that should subsist between these functions. The Committee has also provided broad guidelines regarding the clustering of certain of these functions. Having reached the stage where organizational considerations must now be dealt with, the Committee has advised the Secretary-General of its preference that he should suggest the organizational implications of its deliberations. The Secretary-General also understands that the Committee intends that where guidelines have not been fully developed in its recommendations or have been provided only in the broadest terms, the Secretary-General should assume the responsibility of defining and developing further the guidelines regarding the functions as distinct from the task of their organizational implementation.

6. The Secretary-General believes he should call to the attention of the General Assembly certain aspects of the report of the Committee which complicate the task of submitting administrative and financial implications. The first is that some of the Committee's formulations are capable of more than one interpretation. Secondly, some of the formulations would, under a given interpretation, provide several options with differing administrative and financial implications.

7. The Secretary-General notes that whereas rule 153 of the rules of procedure of the General Assembly refers only to estimated expenditure or financial implications, regulation 13.1 of the financial regulations calls for both administrative and financial implications. The Secretary-General has concluded that recommendations of the Committee, particularly those arising from the formulation in section VIII of chapter III of the report, have far-reaching administrative implications which must be postulated before any financial implications can be estimated. In fact, many of the major administrative implications may have at least initially no significant financial consequences at all. Some of the Committee's recommendations carry administrative or financial implications which can be stated in specific terms; others may be only expressed in general terms with orders of magnitude. Still others are not subject at this stage to quantitative analysis at all, but the Secretary-General will state the considerations which would enter into such an analysis at a later stage.

8. The recommendations of the Committee affect the implementation of General Assembly resolution 31/93, since their implementation could result in significant changes in the medium-term plan for 1978-1981 and will have even more far-reaching effects on the medium-term plan for 1980-1983. Specifically, the recommendations regarding the work of the Economic and Social Council in section II of chapter III of the Committee's report would have extensive implications not only for the contents of the medium-term plans but their conceptual foundation as well. Basic to the rationale is the emphasis on system-wide development of such plans, an emphasis maintained by the Committee throughout its report.

9. The organizational and programme implications contained in section VIII of the Committee's report which relate, inter alia, to the recommendations contained in section II of chapter III would, in fact, imply a review of those aspects of the medium-term plan for 1978-1981 and a reorientation of those aspects of the medium-term plan for 1980-1983 which would depend upon the formulation of programmes by the new organizational entities emerging from the clustering of functions recommended by the Committee on Restructuring.

10. It follows that the effect of the Committee's recommendations upon the medium-term plans might have consequences for the programme budget for 1978-1979 and would have an impact on the formulation of the programme budget for 1980-1981. To the extent feasible, the Secretary-General intends to implement programme revisions within existing resources for 1978-1979.

11. In his submission, the Secretary-General can provide only a rough estimate of those consequences to the 1978-1979 programme budget which would result from implementation of some of the Committee's recommendations beginning in January 1978. The Secretary-General will provide in this paper financial implications which he considers would relate to such implementation of the Committee's recommendations as would begin in 1978; any other financial implications which would affect the year 1979 would be submitted by the Secretary-General to the thirty-third session of the General Assembly in the form of revised estimates based on the necessary revisions in the related programmes of work. The implementation of the majority of the recommendations of the Committee, in so far as they would affect the budget of the United Nations, would be reflected in the proposed programme budget for the biennium 1980-1981.

12. The terms of reference of the Committee on Restructuring relate to the economic and social sectors of the United Nations system. The Secretary-General considers that a clear understanding of this terminology is fundamental. In documents E/5453, Rev.1 and Amend.1, the Secretary-General reviewed the terms of reference of the subsidiary bodies of the Economic and Social Council. In the same document, he also dealt with other related United Nations organs and programmes and with the specialized agencies, IAEA and GATT, in so far as these organs, programmes and agencies concern the work of the Economic and Social Council. The Secretary-General considers that the sum total of the functions of the bodies, organs, programmes and agencies dealt with in documents E/5453, Rev.1 and Amend.1 provide a useful definition of the "economic and social sectors of the United Nations system".

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13. The Secretary-General notes that the recommendations of the Committee do not deal specifically with all of the activities carried out by the bodies, organs, programmes and agencies which are mentioned in E/5453, Rev.1 and Amend.1, such as the Commission on Human Rights, the United Nations High Commissioner for Refugees and other activities. The Secretary-General assumes, however, that the relationship of these activities can be dealt with at a later stage within the context of phased implementation.

14. The Secretary-General has furthermore borne in mind the thrust of the report of the Committee and the emphasis on development requirements of the developing countries. He has also taken into account the political and economic realities of the role of the United Nations in international affairs. His initial assessment of the administrative and financial implications of the Committee's recommendations reflect these considerations, as well as the purely technical and administrative aspects of the Committee's conclusions.

15. The report of the Committee is in eight sections. Some parts of these sections have few or no administrative or financial implications. Others have long-run implications, particularly savings which would arise from the recommendations or formulations of the Committee once the problems related to the first stages of implementation have been dealt with.

16. Some of the recommendations of the Committee have administrative or financial implications for some of the specialized agencies as distinct from the United Nations itself. The Secretary-General does not feel called upon at this stage, nor is he in possession of sufficient information, to predict administrative or financial consequences of the Committee's recommendations for the system as a whole.

### III. The recommendations of the Committee

17. In the following paragraphs, the Secretary-General deals with the administrative or financial implications, if any, which arise from each of the eight sections of chapter III of the report of the Committee on Restructuring.

#### A. Chapter III, section I - The General Assembly

18. Section I does not of itself have administrative or financial implications. However, should the General Assembly rationalize its methods of work and procedures, as suggested by the Committee, qualitative improvements could be expected to arise in respect of the organization of work and the flow of documentation. Whether this would lead to quantitative savings in terms of staff time cannot be determined in advance of the development of specific procedures. Should any new procedures lead to a reduction in the total level of documentation, the impact could be quite substantial, since it has been estimated that each page of documentation, including costs of translation into five languages, costs approximately \$275. It is, of course, not a foregone conclusion that new procedures will, in fact, lead to a reduction in documentation. In fact, the reverse may prove to be the case.

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B. Chapter III, section II - The Economic and Social Council

19. The proposals of the Committee on Restructuring call for the implementation, by stages, of a major reorientation of the work of the Council. On the one hand special sessions of the Council would be convened at high level to deal with problems meriting special or urgent international attention, while on the other hand, a number of subsidiary bodies of the Council would be discontinued, streamlined, redefined, regrouped or merged into the work programme of the Council itself, or the Council would assume direct responsibility for their work.

20. The report of the Committee gives no indication as to whether the net impact of the anticipated changes would result in an over-all increase or an over-all decrease in the total volume of activities of the Council, when the workload of its present subsidiary bodies is taken into account. Certain factors, such as the enhanced focus to be given by the Council to priority areas as determined by the General Assembly, would suggest that the over-all level of work may increase. On the other hand, the discontinuance of certain subsidiary bodies and their replacement by considerations of the subject-matter by the Council as a whole may lead to savings, since the tendency which has arisen on occasion in the past towards a repetition in the Council of debates which have already taken place in subsidiary bodies would presumably be obviated.

21. From an administrative point of view a factor which would need to be taken into consideration is the manner in which the calendar of conferences could be arranged as to meet the needs of the Economic and Social Council. At present, the calendar for each year is approved by the preceding session of the General Assembly on the recommendations of the Committee on Conferences. This Committee, in turn, bases its recommendations to the General Assembly in part upon a calendar adopted by the Economic and Social Council at its summer session. Any financial arrangements that are required as a result of the adoption of the calendar are made by the General Assembly at the same session. Intersessional changes are submitted to the Committee on Conferences for its consideration during the year.

22. Should the General Assembly decide that the Economic and Social Council should be given wider latitude in the scheduling of its meetings, arrangements would have to be made that would ensure the optimum utilization of conference facilities in New York, Geneva and Vienna, taking into consideration that the needs of the Economic and Social Council must be co-ordinated with the needs of other users of conference servicing facilities. This could perhaps be done through a procedure whereby the Economic and Social Council established its calendar in broad terms at the summer session, making a more detailed determination, within an established order of magnitude, of the precise nature of its calendar, at the annual organizational session at the beginning of each year which follows each session of General Assembly.

23. As regards financial implications of the recommendations of the Committee, these are not easy to determine pending further clarification of the over-all level of the Economic and Social Council activity. It should be noted that the largest single factor affecting the cost of conference servicing is the presence or absence of summary records. If, in the absorption of the work of certain subsidiary bodies

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into work of the Council, summary records could be discontinued, this would lead to significant savings. On the other hand, if the Council itself is provided with summary records and the Council absorbs the work of a subsidiary body which was not entitled to summary records, the result may well be a substantial increase in cost. As regards the question of travel expenses, representatives of the Council receive neither travel expenses nor subsistence. At present, a number of subsidiary bodies of the Economic and Social Council are reimbursed travel (in some cases, first-class travel), and some bodies receive subsistence in addition. Thus, there is scope for savings if the work of some or all of these bodies is absorbed by the Economic and Social Council, with a consequential discontinuance of payments for travel and subsistence. As regards the location of meetings of the Economic and Social Council and its subsidiary bodies, the guiding principle hitherto has been that meetings should take place at the location of the office responsible for substantive servicing of the body concerned. Should other criteria emerge concerning the location of meetings, travel costs for substantive staff may be expected to rise.

24. In paragraph 9 (a) of section II of chapter III of the report of the Committee, the proposal is made that consideration should be given to a further expansion of the membership of the Council in order to compensate for the loss of representation possibilities arising from the discontinuance of subsidiary bodies and to take into account the increase in United Nations membership since 1973. In paragraph 9 (b), the Committee recommends that the Council should continue to invite non-member States to participate in its deliberations on any matter of particular concern to them. Present membership of the Council is 54. A substantial increase in membership, coupled with the need to provide for greater participation by non-members, specialized agencies, and non-governmental organizations, could be expected to result in additional operating costs and in particular the need to rearrange the Economic and Social Council Chamber to meet the new requirements. This would require major alterations, the cost of which is tentatively estimated at \$2,500,000. In view of commitments already entered into by the United Nations for the remodelling of other conference rooms at Headquarters in 1978 and 1979, it would not be possible to commence this work until 1980.

25. Other implications from the recommendation of the Committee, involving more active participation of the executive heads of the organizations of the United Nations system may result in financial implications for the specialized agencies in order that they may be in a position to provide full assistance to the Council in accordance with relevant general and specific legislative directives.

C. Chapter III, section III - Other United Nations forums for negotiations, including the United Nations Conference on Trade and Development and other United Nations organs and programmes, the specialized agencies, the International Atomic Energy and ad hoc world conferences

26. In paragraph 1 of section III of chapter III of its report, the Committee emphasizes the importance of co-operation by all United Nations organs, programmes and specialized agencies, including GATT, IAEA and ad hoc world conferences, and

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whatever measures are necessary for the effective discharge of the responsibilities of the General Assembly and the Economic and Social Council under the Charter.

27. In paragraph 2, the Committee emphasizes the importance of the guidance throughout the United Nations system provided by the over-all policy framework established by the General Assembly and the Economic and Social Council, taking fully into account the needs and requirements of the developing countries. These paragraphs represent desiderata and of themselves have no administrative or financial consequences.

28. In paragraph 3, the Committee on Restructuring, referring to General Assembly resolution 31/159, recommends that measures should be taken to enable UNCTAD effectively to play the major role envisaged in UNCTAD 90 (IV) as an organ of the General Assembly in the field of international trade and related areas of international economic co-operation. The Secretary-General notes, however, that the Committee specifies that this should be done within available resources and that, accordingly, there would be no additional financial implications of these recommendations.

D. Chapter III, section IV - Structures for regional and interregional co-operation

29. Paragraph 1 of this section recommends that the regional commissions should be enabled fully to play their role as the main general economic and social development centres within the United Nations system for their respective regions, having due regard to the responsibilities of the specialized agencies and other United Nations bodies in specific sectoral fields and the co-ordinating role of the United Nations Development Programme in respect of technical co-operation activities. The other paragraphs in this section are supportive of this basic principle and include recommendations on how certain aspects of this new role might be implemented.

30. Other than the observations related to specific paragraphs of this section noted below, the Secretary-General believes that, taken together, the recommendations in this section would require, in the course of time, additional resources for the commissions. Provision of some of these resources might require additional appropriations under the regular budget for the biennium 1980-1981. Resources could also be derived in part from extrabudgetary sources which already constitute a considerable part of the present resources of the commissions. Additionally, some of the resources would be provided by a redeployment of resources from United Nations Headquarters and from other bodies of the United Nations, as well as the specialized agencies, during the latter part of the 1978-1979 biennium. At this stage, it is not possible to provide a quantitative estimate of the likely magnitude of the additional resources which might be required nor of the time frame in which requirements would arise. This will be only possible after the Secretary-General has developed a phased plan for the implementation of the Committee's recommendations in section IV.

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31. The Secretary-General wishes to emphasize at this point the importance of such a carefully phased plan for the delegation of additional responsibilities to the regional commissions. An essential consideration in such a plan would be the capacity of the commissions to absorb additional responsibility, particularly drawing upon each commission's own assessment of its absorptive capacity with or without additional financial resources at its disposal.

32. Paragraph 2 calls for the convening of periodic meetings for purposes of co-ordination, and paragraph 7 calls for strengthening and expanding contacts among the commissions, including periodic intersecretariat meetings. Without further definition of the composition and periodicity of such meetings, the possible financial implications cannot be estimated, but clearly additional funds would be required.

33. In paragraph 4 the Restructuring Committee suggests that "subject to such guidance as may be provided by the Governments concerned and without prejudice to membership of regional bodies concerned, the organizations of the United Nations system should take early steps to achieve a common definition of regions and subregions and the identical location of regional and subregional offices". The questions covered by this paragraph were reviewed by the Joint Inspection Unit in its report on the regional structures of the United Nations system (JIU/REP/75/2). The Joint Inspection Unit made a similar proposal in that report and noted five guidelines that the organizations should take into consideration in reviewing the definition of regions and subregions and the location of offices. The Administrative Committee on Co-ordination, in commenting on the Joint Inspection Unit report (E/5727/Add.1), noted that organizations regularly review their regional arrangements and agreed that the criteria for such reviews established by the Joint Inspection Unit should be taken into account in the future. The Administrative Committee on Co-ordination noted that a number of factors come into play, including political, geographical, sectoral and administrative considerations. While the political consideration is largely covered in paragraph 4, it should be noted that the difficulties barring a systematic approach towards a definition of regions and subregions are based on a multiplicity of historical and programme factors which will take some time to be ironed out. The organizations of the United Nations system, while recognizing that a common definition of regions and the establishment of common locations for regional offices would offer obvious advantages, considered that such arrangements should not prevent their regional structures from reflecting the area requirements of their programmes and that for special purposes in such fields as civil aviation, telecommunications, meteorology, health etc., technical considerations should, on the whole, determine the location of offices and the nature of their operations.

34. It may be noted that the Economic and Social Council, at its sixty-first session, took note with appreciation of the report of the Joint Inspection Unit and the comments thereon and adopted resolution 2043 (LXI), in which a number of suggestions were made to the Committee on Restructuring. No mention was made, however, of the problems of defining regions and subregions or of the location of regional offices, possibly in view of the alternative approach, suggested by the organizations and largely followed by the inspectors themselves, that closer co-operation at the regional level by focusing on and perfecting the functional



arrangements for programme co-ordination holds out hope of producing quicker and more concrete results.

35. Paragraph 5 would strengthen the links between regional commissions and the rest of the United Nations system, including UNDP, and the commissions would participate in operational activities and the preparation of intercountry programmes. The Economic and Social Council would take measures to enable the commissions to function as executing agencies for intersectoral, subregional, regional and interregional projects not falling within the purview of the sectoral bodies elsewhere in the United Nations system.

36. The Secretary-General has some conceptual difficulties with the equation of the regional commissions to the major sectoral organizations of the system as executing agencies of the UNDP programme. The role of an executing agency involves a direct relationship with the United Nations Development Programme which has been only accorded to the member organizations of the United Nations system and to UNCTAD and UNIDO, which are broadly responsible for major sectoral activities, having in many respects the attributes of specialized agencies. The regional commissions are organizational, not sectoral, parts of the United Nations Secretariat. To pursue a policy of treating the commissions as executing agencies in regard to the UNDP programme could create problems of co-ordination and control within the United Nations itself. The Secretary-General suggests, therefore, that the General Assembly and the Economic and Social Council might wish to review Council resolution 1896 (LVII), which dealt with the designation of the regional commissions as executing agencies, in the light of the experience acquired during the implementation of the more general recommendations of the Committee on Restructuring. An alternative to executing agency status would be further decentralization to the commissions by the United Nations and various other bodies in the system of technical co-operation projects for which they have initially been designated as executing agencies.

37. The Secretary-General, in the first instance, will report to the thirty-third session of the General Assembly on the proposed phased decentralization of regional and subregional projects for which the United Nations has been designated the executing agency. This will be followed at a later stage by a report of the Secretary-General dealing with the question of decentralization of interregional projects and with other possible areas of decentralization of technical co-operation projects.

38. The Secretary-General, while pursuing the goal of enhancing the role of the commissions by decentralization and by the other measures recommended by the Committee in section IV, does not foresee at this stage any additional financial implications for the regular budget relating to the biennium 1978-1979. Should any additional requirements arise in the course of the first year of the biennium, he reserves the right to present them as supplementary requests to the thirty-third session of the General Assembly.

E. Chapter III, section V - Operational activities  
of the United Nations system

39. In this section, the Committee on Restructuring makes recommendations regarding the funding of United Nations programmes for development from extrabudgetary resources. Gradual integration of the present complex of extrabudgetary programmes and funds is recommended, maintaining the identity of existing elements. A single pledging conference is recommended, as well as the maximum uniformity of administration. The Secretary-General believes that much can be accomplished towards these goals but draws attention to the fact that many of the major funds and their governing bodies have separate legislative bases in resolutions of the General Assembly, including, *inter alia*, 1/ UNHCR, UNDP, UNFPA, UNFDAC, UNHHSF and UNIDF. The Secretary-General foresees many legislative and political problems associated with any effort to bring about an amalgamation of the legislative authorities responsible for these funds and the many others which have not been mentioned. In fact, the Secretary-General suggests that the first efforts should be directed at bringing to a halt the establishment of still more extrabudgetary funds with legislative bodies, some of which are proposed in resolutions before the present session of the General Assembly. The multiplicity of such funds, each with its own statutory authority, imposes a considerable burden not only upon the extrabudgetary activities themselves but also upon the regular budget.

40. The Committee on Restructuring also recommends in section V improved coherence and co-ordination of technical co-operation activities of the United Nations system at the country level. In particular, in paragraph 7, it recommends the designation of a single official in each country, presumably the UNDP resident representative, to exercise team leadership of operational activities at the country level. If this assumption is correct, the Secretary-General foresees no financial implications for the regular budget in these proposals.

F. Chapter III, section VI - Planning, programming,  
budgeting and evaluation

41. In this section, the Committee addresses itself to improvements in the planning, programming, budgetary and evaluation process within the United Nations system. It provides guidelines to the Committee for Programme and Co-ordination for improvements in its programme and methods of work, particularly in respect of the rationalization of the programming process and the proper functioning of subsidiary bodies.

42. The Committee calls for intensified efforts for the harmonization of budget presentations and a common methodology of programme classification and description of content, and the synchronization of budget cycles. Full and compatible information is called for in extrabudgetary resources. Prior consultation among the organizations of the system on work programmes and the development of joint programmes is urged.

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1/ In foot-note 3 of its report, the Ad Hoc Committee states: "It is agreed that UNEP, UNICEF and WFP are to be excluded".

43. The Secretary-General considers that he is called upon to play a role in this process through the exercise of the functions specified in paragraph 2 (b) of section VIII of the Committee's report, which is dealt with hereinafter. Such functions could lead to a need for some additional resources as early as 1979, since this must basically be considered a new activity, having only had minimal implementation to date. While redeployment within the United Nations and possibly within the total system will provide a possible source of such resources, some budgetary consequences may arise. On the other hand, important savings to each organization in the system would arise from a more efficient exercise of the programming function.

44. The Committee, in paragraph 9, calls for continuation of payment by the United Nations of the travel and subsistence expenses of one representative of each member State of the Committee for Programme and Co-ordination. The cost of continuing provision for a six-week session of CPC in the first year of the biennium and a four-week session in the second year of the biennium is estimated at \$169,600, expressed in 1978-1979 dollar terms.

45. In paragraph 10, the Committee recommends the increase to at least 16 of the membership of the Advisory Committee on Administrative and Budgetary Questions. Such a proposal is presently before the General Assembly separately in document A/C.5/32/78 including the financial implications of \$115,000 for the biennium 1978-1979 which are, accordingly, not submitted in this document.

46. Finally, in paragraph 12, the Committee calls for more detailed statements of programme budget implications of proposals submitted to intergovernmental bodies. Such statements should be available in writing during the consideration of proposals and normally not later than 24 hours before the approval of the proposals concerned. They should indicate related programmes already included in the relevant medium-term plan, the percentage increase in the expenditures of the Secretariat units concerned and the resources which could be released from any programme elements which have become obsolete or of marginal usefulness or ineffective. If two or more statements have been submitted in the course of a session, the Secretary-General should, at the conclusion of the session, submit a summary of such statements containing aggregate figures.

47. This proposal, while it would definitely facilitate the comprehension by legislative bodies of the financial consequences of their possible actions, would be of value only to the degree that proposals were sufficiently precise, to permit quantitative analysis and the identification of specifically related programmes and that sufficient time was allowed for this detailed procedure. The time frames in which proposals would be tabled before legislative bodies would affect the practical possibilities available to the Secretary-General of compliance with the proposed requirements in a meaningful way. The experience of recent sessions of the General Assembly, including the present one, have not been reassuring in this regard.

48. Finally, the recommendation would have a measurable effect on the staffing requirements of the new organizational unit responsible for programmes and planning proposed under section VIII of Chapter III of the report and of the Budget Division of the Office of Financial Services.

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G. Chapter III, section VII - Interagency co-ordination

49. In this section, the Committee sets forth the desiderata for improved co-ordination of the elements of the United Nations system. It calls for a reduction to a minimum of continuing interagency machinery, making use to the maximum of flexible ad hoc arrangements. Specifically, in paragraph 5, the Committee recommends that steps should be taken to merge the Environment Co-ordination Board (ECB), the Inter-Agency Co-ordination Board (IACB) and the UNIDO Advisory Committee with the Administrative Committee on Co-ordination, which should assume their respective functions.

50. The Secretary-General believes that such a merger would considerably improve the co-ordination between the various components of the United Nations including UNDP, UNIDO and UNEP. The resulting improvements in efficiency and in consistent decision-making would, in due course, be reflected in savings, both in the regular budget and in the use of extrabudgetary resources. However, some financial implications may arise if the new units envisaged under section VIII of chapter III of the report for substantive and technical servicing of the Administrative Committee on Co-ordination require strengthening as a result of ACC taking over the functions of ECB, IACB and the UNIDO Advisory Board.

51. In paragraph 9, the Committee recommends that the powers of the General Assembly under Article 17, paragraph 3, of the Charter should be fully exercised and calls for assistance to the Assembly by the Economic and Social Council, the Committee for Programme and Co-ordination, and the Advisory Committee on Administrative and Budgetary Questions. A careful review by the Assembly of the budgets of the members of the system would pose certain problems for the Fifth Committee in respect of its time-frame of work but with the indicated assistance could result in elimination of overlapping and inconsistencies, and, hence, in savings. More intensive examination of the budgets of the members of the system by the bodies mentioned would, however, require additional costs for secretariat services, as well as additional time devoted to such examination by the deliberative and advisory bodies concerned.

H. Chapter III, section VIII - Secretariat support services

52. Section VIII of chapter III of the report of the Committee on Restructuring provides guidelines for the execution of the functions to be performed by the Secretariat of the United Nations in support of the United Nations programmes in the economic and social sectors.

53. The detailed implications of these guidelines are left to the Secretary-General to apply in the exercise of his powers under the Charter of the United Nations. The Committee draws attention in particular to Article 1, paragraphs 3 and 4, as well as the provision of Articles 100 and 101 of the Charter, and emphasizes the importance of the development requirements of the developing countries.

54. It is in section VIII that the responsibilities of the Secretary-General in respect of restructuring are concentrated. The Committee has encouraged the Secretary-General to take the initiative in defining the guidelines it has provided and in applying them to the organizational structure. Most of the direct administrative and financial implications of the Committee's report relate to section VIII.

55. The Committee specifically suggests phasing in respect of most of the organizational changes. The Secretary-General proposes to apply this concept generally. Accordingly, some implementation of the Committee's recommendations would be effected as from 1 January 1978 within the Secretary-General's existing authority. A second area of implementation as of 1 January 1978 requires the approval of the General Assembly, which will be requested in this submission along with the relevant financial implications. A third area of implementation will be proposed on a phased basis with suggested dates. A final area of implementation will be proposed on a phased basis without a specific calendar of the phasing.

56. The Secretary-General proposes to carry out the organizational changes relating to 1978 and 1979 within the appropriations which may be approved by the General Assembly for the biennium, with the exception of those specific revisions which are requested in this submission and others which will be proposed to the General Assembly at its thirty-third session. The Secretary-General, furthermore, will request authority in this submission to make certain organizational changes which involve the transfer of funds between sections of the budget. Before turning to the specific clustering of activities recommended by the Committee, the Secretary-General draws attention to the interaction among all of the functions which are clustered. The research and planning which are basic to all of the economic and social activities of the United Nations system are bound to interact with the research and planning necessary to execute effectively the operational programmes which result from the more basic research and planning exercise. The results of technical co-operation operations are bound in turn to provide raw material, or "input", to the basic research and planning functions.

57. Accordingly, the Secretary-General assumes that the General Assembly will endorse not only a phased implementation but a flexible implementation of the guidelines provided by the Committee regarding the clustering of functions.

58. Once the Secretary-General has implemented certain organizational changes, he would need to reassess the results of the distribution of programme activities and determine whether the consequent resource distribution is appropriate in terms of the functions to be carried out. Such a reassessment may well result in redistribution of some resources as between functions.

59. The guidelines provided by the Committee suggest four distinct organizational entities: one comprising, respectively, the functions clustered in paragraphs 2 (a) and (b) of section VIII of the Committee's report; one comprising the functions clustered in paragraphs 2 (c) and (d); one comprising the functions clustered in paragraph 2 (e) and one comprising those functions provided for under paragraph 5. For convenience, the Secretary-General proposes to refer to these functions hereinafter as "a", "b", "c", "d", "e" and "5".

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60. The Committee has also identified an additional set of functions, essentially all of the residual functions, in paragraph 2 (f). These functions, which will be referred to as "f", are left to the Secretary-General to distribute based on certain guidelines. The Secretary-General understands that the Committee would endorse a carefully phased approach to this distribution.

61. The Secretary-General has noted carefully paragraph VIII (4) of the Committee's report. This calls for rationalization and streamlining of the organizational units concerned, including the redeployment of staff resources. Redeployment is essential to effective reorganization and to the economical use of resources. There will be problems in redeploying the human resources presently available for economic and social activities, since the organizational changes resulting from the work of the Committee will reflect basic changes in scope and emphasis of programmes and, hence, in the qualifications of staff required to execute them. Relocation of staff in other duty stations will be necessary in a considerable number of cases, involving difficulties of adjustment for staff and families alike. Present staff will not necessarily be as redeployable as the posts being moved from present to future organizational units.

62. Nevertheless, it is the Secretary-General's hope that most of the present staff resources can be effectively utilized in the new organizational structure and that any necessary changes requiring revised qualifications and experience could be carried out gradually and in accordance with the best possible use of existing staff.

63. The redistribution of functions according to the guidelines of the Committee would involve the extensive redeployment of the staff of the present Department of Economic and Social Affairs, including both staff funded from resources under the regular budget and those funded from extrabudgetary sources. There would be a declustering of some of the units of the Department of Economic and Social Affairs and redeployment to the new units whose functions would be grouped in the categories "a", "b", "c", "d", "e" and "f". Some other units of the Department, however, would not be declustered at this time, since they are expected to be physically transferred as units to other locations. Specifically, this refers to the Centre for Housing, Building and Planning, which would, under existing proposals now before the General Assembly, become a part of the institutional entity concerned with human settlements relocated in Nairobi, and to the Centre for Social Development and Humanitarian Affairs, which, by decision of the thirty-first session of the General Assembly, is scheduled to be transferred to Vienna.

64. Some other units of the Secretariat not presently included in the Department of Economic and Social Affairs would be proposed for incorporation into the new organizational structures. These would include the service units in the Department of Administration and Management which provide for the recruitment of technical co-operation personnel and procurement of supplies and equipment for technical co-operation projects. This involves the establishment of new personnel recruitment and procurement units for the proposed new department which is to be responsible for technical co-operation activities and consequent separation of these functions in so far as they relate to the new department from the similar services provided

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for all other departments and offices through the Office of Personnel Services and the Office of General Services. Also, the functions of the Office for Inter-Agency Affairs and Co-ordination would be transferred and redistributed as recommended by the Committee. The functions relating to the preparation of the medium-term plan for economic and social activities from a programme standpoint as distinct from a financial standpoint would be transferred from the Budget Division of the Office of Financial Services to one of the new organizational entities.

65. Regulation 4.5 of the Financial Regulations of the United Nations states that "no transfer between appropriation sections may be made without authorization by the General Assembly". It would be the Secretary-General's intention to establish each of the four new organizational units referred to in paragraph 59 above in a new and separate section of the 1978-1979 programme budget, specifically, sections 5C, 5D, 5E and 5F, respectively. The present section 5A and those elements of other sections referred to in paragraph 64 would be redistributed to the new sections, as will be indicated hereinafter. The Secretary-General, accordingly, requests the prior approval of the General Assembly under financial regulation 4.5 to transfer such resources as are necessary to provide for the redistribution of present organizational elements to the four new entities envisaged by the Ad Hoc Committee.

66. The Secretary-General does not propose at the present time to consider any redeployment of elements in other major sectoral units of the Secretariat, such as UNCTAD, UNIDO, UNEP or the Centre for Transnational Corporations. In the course of the phased implementation of the restructuring of the economic and social sectors, he will give appropriate attention to each such activity, with a view to determining whether any of the respective functions should be redeployed to the new organizational structure at Headquarters or in the regional commissions.

67. The Secretary-General foresees that the emphasis by the Committee on Restructuring on the interrelationship and on improved co-ordination of economic and social activities geographically, sectorally and on a system-wide basis will call for a considerable increase in the funds available for official travel in the United Nations budget. He is aware that this object of expenditure is the subject of close scrutiny by the General Assembly at all times, and he is fully committed to constant surveillance of the need for travel. He is convinced however, that to accomplish the goals set forth by the Committee on Restructuring a far greater degree of personal contact will be necessary within the United Nations system. Information and experience gathered on-the-spot is cost-productive in a degree which more than offsets the cost of travel, and effective research, programming and management cannot be effectively exercised within the walls of an office and the pages of a document.

68. The Secretary-General will propose the redeployment of programme activities of the Department of Economic and Social Affairs in terms of orders of magnitude expressed in percentages allocated to the functions covered by "a", "b", "c", "d", "e", "f" and "5". This is based on a practical formula related to average work-months. Such a formula does not take into account at this stage specific levels of the posts involved or of the staff who would actually be transferred. Any distortion which might result from this technique would not invalidate the considerations on which the redeployment is suggested.

69. In order to arrive at this order of magnitude, it has been necessary for the Secretary-General to allocate provisionally the staff resources, both under the regular budget and extrabudgetary, which are presently deployed in respect of each programme element specified in the proposed programme budget for 1978-1979. The Secretary-General considers that this preliminary exercise, which is enormously complex, is necessary to arrive at the general orders of magnitude of redeployment to each of the new functions and is of additional value as a starting point for the detailed planning of the phased redistribution of all functions of the Department of Economic and Social Affairs, particularly those which fall into category "f".

70. The first of the new organizational entities which would emerge from the Committee's guidelines would emerge from the clustering of the functions of "a" and "b". These two groups of functions would form separate units of a new department concerned with research, programming and planning.

71. The functions under "a" might be called the "think tank" of the United Nations system in economic and social sectors and would consist of the following, according to the report of the Ad Hoc Committee on Restructuring: 2/

"(a) Interdisciplinary research and analysis, drawing as necessary upon all relevant parts of the United Nations system. On the basis of the relevant legislative authority, this function includes:

- (i) preparing, on a regular basis, global economic and social surveys and projections to assist the General Assembly and the Economic and Social Council in the discharge of their responsibilities as set out in sections (I) and (II) /of the Ad Hoc Committee's report/.
- (ii) undertaking in-depth intersectoral analyses and syntheses of development issues, in close collaboration with those elements of the United Nations system engaged in similar work, and taking into account relevant work in the various sectoral components of the United Nations system, and preparing concise and action-oriented recommendations on those issues in accordance with the requirements of the General Assembly and the Economic and Social Council, for consideration by those organs;
- (iii) identifying and bringing to the attention of Governments emerging economic and social issues of international concern.

This function would accordingly cover, inter alia, the provision of substantive support services for the work of the Committee for Development Planning."

72. Unit "a" would thus include interdisciplinary research and analysis, including policy analysis of technical co-operation activities which extend on an interagency basis beyond the responsibilities of the United Nations as an executing agency of technical co-operation projects.

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2/ A/AC.179/L.11/Add.1/Rev.1.



73. Unit "a" would further include such elements of sectoral research and technical information activities as are not provided for elsewhere within the United Nations system and which are supportive of global and intersectoral research. Such activities fall within the grouping of functions referred to under "f" and are presently carried out in sectoral units of the Department of Economic and Social Affairs.

74. Additionally the functions of "a" would include such services as are essential to the research function.

75. Organizationally, the initial core of "a" would be the Centre for Development Planning, Projections and Policies, whose terms of reference 3/ establish it as the basic research arm of the Secretariat in economic and social development sectors.

76. In view of its very close relationship to the intersectoral research function, the Statistical Office would be located in the organizational structure of unit "a" as a separate subdivision.

77. The functions which the Ad Hoc Committee suggests should be clustered under unit "b" are as follows:

"(b) Cross-sectoral analysis of programmes and plans in the economic and social sectors of the United Nations system with a view to mobilizing and integrating at the planning and programming stages, the inputs and expertise of the organizations of the United Nations system for the following tasks:

- (i) concerting in an effective manner the implementation of policy guidelines, directives and priorities emanating from the General Assembly and the Economic and Social Council;
- (ii) developing the co-operative and, wherever possible, joint planning of programme activities decided upon at the intergovernmental level, with a view to system-wide medium-term planning at the earliest possible time.

This function would accordingly cover, inter alia, the provision of substantive support services for the relevant work of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination." 4/

78. Unit "b" would involve the necessary liaison with United Nations bodies outside of the new organizational structure (UNCTAD, UNIDO, UNEP and the regional economic commissions, inter alia), as well as the specialized agencies and other relevant bodies of the United Nations system.

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3/ General Assembly resolution 118 (II) and subsequent resolutions referred to in para. 7.13 of the proposed programme budget for the biennium 1974-1975 (A/9006).

4/ A/AC.179/L.11/Add.1.

79. The planning activities of unit "b" would include participation in the development of the phased plan envisaged in section IV of the report of the Committee and including in particular that which is outlined in paragraph 5 of section IV regarding technical co-operation projects. In the latter connexion, the new unit "b" would collaborate with the new department for "c" and "d". The nucleus of unit "b" would consist of the resources presently provided for programme planning activities in the Office of the Under-Secretary-General of the Department of Economic and Social Affairs. It would also include that part of the Office of Inter-Agency Affairs which relates to substantive analysis of programmes in the economic and social sectors of the United Nations system. Unit "b" would also include the Regional Commissions Section and the NGO Section of the Office of the Deputy Under-Secretary-General of the Department of Economic and Social Affairs.

80. Unit "b" would additionally include those functions of the Programme Analysis and Evaluation Unit of the Office of Financial Services which relate specifically to the substantive aspects of the preparation of the medium-term plan. In view of the Controller's responsibility for the preparation of the programme budget of the United Nations, which is based on the medium-term plan, he must be in a position to exercise budgetary and financial supervision over all stages of the plan's development and implementation. Also to be noted, in this connexion, are the responsibilities of the Controller in the preparation of programme and budget implications referred to in paragraphs 47 to 49 above and General Assembly resolution 31/93.

81. The functions in unit "b" would also include, in the first instance, within the context of phased implementation, those elements of "f" which are necessary to provide the co-ordination of programming and planning for sectoral activities of the current Department of Economic and Social Affairs which are to be totally redistributed to "a", "b", "c", or "d".

82. Unit "b" would thus be the entity which would prepare the documentation and provide the leadership within the system for planning, programming and co-ordination of the economic and social activities of the United Nations system.

83. The functions "a" and "b" would, following the recommendations of the Committee, be established in a single organizational entity. It can be seen that this entity, which would be called the Department of Economic Co-operation and Development, would carry a very broad responsibility, extending, in the spheres of competence assigned to it, considerably beyond the scope of the present Department of Economic and Social Affairs. It would be headed by an Under-Secretary-General, and the two major units would, in the view of the Secretary-General, each require executive direction and management at the Assistant Secretary-General level. This would involve the establishment, beginning with 1978, of two new posts at the Assistant Secretary-General level, with the related servicing facilities.

84. The Committee proposes that the functions described in "c" and "d" should be clustered in a second organizational entity. The functions in "c" and "d" consist of:

"(c) substantive support for technical co-operation activities in economic

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and social sectors which are not covered by other United Nations organs, programmes or specialized agencies. These functions include, inter alia, the provision of technical expertise in the formulation, implementation and evaluation of country and intercountry programmes and of specific projects; the provision of direct advisory assistance to Governments; the development of training materials and support of training institutions.

(d) management of technical co-operation activities carried out by the United Nations in respect of:

- (i) projects under the regular programme for technical assistance;
- (ii) projects of the United Nations Development Programme for which the United Nations is the executing agency;
- (iii) projects financed by voluntary contributions from Governments and other external donors including funds in trust." 5/

85. The functions encompassed by "c" and "d" have been very thoroughly analysed in the studies of the Inter-Agency Task Force of the Consultative Committee for Administrative Questions in its cost measurement studies between 1972 and 1975, the results of which have been reviewed by the Committee for Programme and Co-ordination and the Economic and Social Council and have been recapitulated by the Secretary-General in his report to the General Assembly at its thirty-first session on services provided by the United Nations to activities funded from extrabudgetary resources. 6/

86. The Task Force analysed these functions at the following stages:

- (a) Programme planning;
- (b) Project formulation;
- (c) Project implementation;
- (d) Post-project evaluation and follow-up.

87. Both the activities under "c" and those under "d" are involved in each of these stages. The Secretary-General envisages that the new entity comprising "c" and "d" would require a policy co-ordination unit responsible for programming and planning of technical co-operation activities of the United Nations as an executing agency as distinct from the global policy, analysis, planning and programming which would be carried out under cluster "a" and "b". The policy co-ordination unit of "c" and "d" would be responsible for establishing the policies for project formulation, implementation and follow-up; preparation of input for reports to the Economic and Social Council and the General Assembly

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5/ A/AC.179/L.11/Add.1/Rev.1.

6/ A/C.5/31/33.

and, as appropriate, the UNDP Governing Council; liaison with the UNDP, liaison with other bodies of the United Nations which execute technical co-operation projects directly, such as UNCTAD, UNIDO and UNEP, liaison with the specialized agencies on questions of practical co-ordination (as distinct from basic planning) and the establishment of standards and procedures and issuance of the necessary manuals. This unit which may be designated the Division of Policy Co-ordination is inferred from, rather than specified by, the recommendations of the Committee on Restructuring but is basically an essential tool of management in any large operational activity.

88. The functions specified under "c" are those which are presently carried out by substantive and technical staff in the sectoral organizational units of the current Department of Economic and Social Affairs.

89. The functions specified under "d" of the Committee's report are assumed by the Secretary-General to include the management of operations presently carried out by the Office of Technical Co-operation at the stages of programming and planning of technical co-operation activities, project formulation, project implementation and post-project evaluation and follow-up. This includes both the executive function and the day-to-day administration of projects.

90. The Secretary-General envisages that the functions of both "c" and "d", which, as noted earlier, exist at all stages of technical co-operation projects from formulation to follow-up, would be grouped in a single organizational unit. This unit would be organized according to broad sectoral groupings.

91. A third unit of the new organizational entity comprising the functions "c" and "d" would provide the services common to all operational activities, namely, financial management, recruitment of experts, placement of fellows and procurement of supplies and equipment.

92. The financial management function would be carried out by the staff presently performing this function by delegation of authority from the Controller to the Departmental Administration and Finance Office of the Department of Economic and Social Affairs. The senior official responsible for the financial management function would be an outposted official from the Office of Financial Services.

93. The recruitment function would be carried out by the Technical Assistance Recruitment Service, which would be redeployed from the Office of Personnel Services. The chief of the unit would be responsible to the Assistant Secretary-General for Personnel Services in respect of any delegation under the Staff Regulations or Rules. The recruitment unit in the Geneva Office would also be hierarchically included in this service, although remaining outposted geographically in Geneva.

94. The procurement function would be carried out by those elements of the Purchase and Transportation Service of the Office of General Services which are presently charged with this responsibility and which would be redeployed to the new organizational entity.

95. The Fellowships Section currently forming part of Administrative and Financial Services in Geneva would be organizationally merged with the Fellowships Section of the current Office of Technical Co-operation but remain outposted in Geneva.

96. The executive direction and management responsibilities of the functions "c" and "d" would be extensive. They are presently carried out under the Commissioner for Technical Co-operation, who is at the Under-Secretary-General level. As the present arrangement involves a temporary loan of this level from another section of the budget, the Secretary-General proposes that the Assistant Secretary-General post provided in the regular budget for the Commissioner for Technical Co-operation be upgraded to the Under-Secretary-General level.

97. In addition, the Secretary-General considers that the management role in carrying out technical co-operation activities of the United Nations needs considerable strengthening and, accordingly, recommends reclassification of the current post for the Director of the Office of Technical Co-operation from the D-2 to the Assistant Secretary-General level.

98. The proposed new Department of Technical Co-operation for Development, comprising the "c" and "d" functions, would be established as soon as the technical arrangements can be completed early in January 1978. The necessary reorganization of the present Office of Technical Co-operation would be phased over the remainder of the year and would be based on an initial proposal prepared by the head of the Department and reviewed by the Administrative Management Service, which would, in accordance with established procedures, present its recommendations to the Under-Secretary-General for Administration and Management. The Secretary-General envisages that, at this stage, the reorganization for cluster "c" and "d" would, aside from the reclassifications requested, not require additional regular budget resources in the biennium 1978-1979.

99. Cluster "c" and "d" would further include such residual research and technical information activities as are primarily supportive of technical co-operation. These activities, which are intrasectoral in nature, fall within the grouping of functions referred to under "f" and are presently carried out in sectoral units of the Department of Economic and Social Affairs.

100. Additionally, interregional advisers presently located in sectoral units of the Department of Economic and Social Affairs will be transferred to the "c" and "d" cluster.

101. The Committee on Restructuring also recommends that the functions under "e" should be treated in a separate organizational entity. These functions are:

"(e) Provision, on an integrated basis, of technical secretariat services for the Committee for Programme and Co-ordination, the Economic and Social Council, the General Assembly, ad hoc conferences and intersecretariat co-ordination machinery; this function includes organizing and co-ordinating the provision by the Secretariat units concerned of substantive support

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services, particularly documentation, as required by the above-mentioned bodies; ensuring that the substantive units concerned are informed of relevant developments in the work of these bodies, including resolutions and decisions adopted by them; and ensuring that these bodies are kept informed of action being taken in response to their decisions by the Secretariat units concerned." 7/

102. The new organizational entity comprising the functions of "e" would be established by redeploying the current staff forming the Economic and Social Council secretariat and a portion of the staff in the Office of Inter-Agency Affairs and Co-ordination. It should be noted that certain functions of the Office of Inter-Agency Affairs and Co-ordination relating to activities which are not within the economic and social sectors would thereby fall, at least initially, within the new organizational structures for economic and social activities. The Secretary-General will deal with the resolution of this question at a later stage.

103. In accordance with paragraph 3 of section VIII of the report of the Ad Hoc Committee, function "e" would be a distinct organizational entity. It therefore would have to be organizationally established in some line relationship to the Secretary-General.

104. The Secretary-General notes that the functions of the entity "e" are essentially service functions rather than policy-making functions, which would suggest some hierarchical level below that of a major substantive department. Since the responsibilities under "e" are not comparable to the other major units envisaged, it would therefore seem to warrant executive direction at the Assistant Secretary-General rather than the Under-Secretary-General level.

105. In view of the need for a considered approach to the new organizational relationships which will emerge from the recommendations of the Ad Hoc Committee, it would seem appropriate for the time being that the head of this unit should report directly to the Secretary-General. The Secretary-General, in accordance with the phased approach, reserves the right to make any further recommendations on the organizational status of the "e" unit at a later date.

106. There remains the question of the residual functions referred to under "f" of the Committee's report, which are described as follows:

"Without prejudice to the function defined in subparagraph (a) above, and in response to directives from the relevant intergovernmental bodies, research, including the collection of relevant data, and analysis in those economic and social sectors that do not fall within the purview of other United Nations organs, programmes, and specialized agencies". 7/

107. As has been indicated in the paragraphs dealing with functions "a", "b", "c" and "d", it is understood that the residual functions under "f" comprise sectoral

research, analysis and technical information activities now carried on in the sectoral units of the Department of Economic and Social Affairs.

108. The Secretary-General has already undertaken a preliminary review of individual programme elements which fall into the "f" category to determine whether they are more closely related to functions "a"- "b" or to functions "c"- "d". This review will continue during 1978 in order to establish clearly what this function comprises and which parts of this function relate most closely to "a"- "b" and "c"- "d". It is noted that there are "gray" areas in making this distinction.

109. Following the identification of the elements of "f" according to those categories, an analysis will then be made as to what programme elements or parts thereof could be decentralized to the regional commissions or transferred to other United Nations organs. The criteria which would be used in determining this later distribution would include, inter alia, (i) identification of activities at the national, subregional and regional levels; (ii) identification of training activities; and (iii) identification of activities relating to economic co-operation among developing countries and technical co-operation among developing countries. Based on a preliminary review of the programme elements initially attributed to function "f", the Secretary-General roughly estimates that approximately 40 per cent of these activities might be subject at the appropriate time to redeployment to the regional commissions.

110. With respect to the phasing of the redistribution of all of the functions of the Department of Economic and Social Affairs which are included in categories "a", "b", "c", "d", "e" and "f", the Secretary-General proposes to make an initial progress report to the Economic and Social Council at its sixty-fifth session and to make a comprehensive progress report to the General Assembly at its thirty-third session. No additional appropriations will be requested until that time, and any additional appropriations requested from the General Assembly would represent only the net result of additional requirements offset by savings from redeployment and other elements of economy.

111. In paragraph 5 of section VIII of its report, the Committee recommends the establishment of a new post at a high level to assist the Secretary-General in carrying out his responsibilities as chief administrative officer under the Charter of the United Nations in the economic and social fields. The high-level official should, according to the recommendations of the Ad Hoc Committee, be in charge of:

"(i) ensuring the provision of effective leadership to the various components of the United Nations system in the field of development and international economic co-operation and in exercising over-all co-ordination within the system in order to ensure a multi-disciplinary approach to the problems of development on a system-wide basis;

(ii) ensuring, within the United Nations organization, the coherence, co-ordination and efficient management of all activities in the economic and social fields, financed by the regular budget or by extrabudgetary resources." 8/

112. In the absence of a recommendation by the Committee in the draft report on which this submission is based as to how this level would be determined, the Secretary-General has costed the salary and related requirements of the post at the Under-Secretary-General level for indicative purposes.

113. The Secretary-General believes that in executing his responsibilities the high-level official should be provided with a few highly qualified advisers at a senior level, specifically one staff adviser at the D-2 level and three at the D-1 level. Provision is also requested for a post at the P-4 level for a special assistant to the high-level official. One General Service staff member at the G-5 level and four at the G-4 level are requested. Finally, a provision for travel on official business is requested in the amount of \$61,700.

114. There remains the question of administrative services to the new organizational entities in the Secretariat at Headquarters.

115. Past practice in the establishment of new organizational units would justify historically the establishment of separate administrative services for each of the new organizational entities envisaged by the Committee on Restructuring. At present, only the administrative resources of the Departmental Administrative and Finance Office of the Department of Economic and Social Affairs (exclusive of the resources of that Office which would be transferred to the financial management of the proposed Department of Technical Co-operation for Development) would be available for this purpose. If separate administrative units were to be established for each of the four new organizational entities, the additional cost would be of the order of magnitude of more than \$1 million in the course of a biennium.

116. In view of the order of magnitude of the financial implications of such a course of action and the possibility of alternative ways of dealing with this question, the Secretary-General proposes to examine the question of administrative services to the new units with careful attention to all its aspects. During 1978, he proposes, therefore, that the available resources of the Departmental Administrative and Finance Office of the Department of Economic and Social Affairs should, on an interim basis, provide the necessary administrative services to the new organizational entities as they emerge. The Secretary-General would include in his progress report to the thirty-third session of the General Assembly such recommendations regarding administrative services as he might feel appropriate at that time, along with a request for any additional resources necessary to strengthen these services.

117. The percentage distribution of resources of the present Department of Economic and Social Affairs <sup>9/</sup> as between functions "a", "b", "c", "d", and "e", as well as an indication of the resources proposed for transfer from other sections of the budget to the new organizational structure and the additional resources requested herein, are indicated in annex I.

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<sup>9/</sup> Excluding resources for the human settlements and the social development and humanitarian affairs programmes.



IV. Conclusions

118. The very broad scope of the recommendations of the Committee on Restructuring make it impossible for the Secretary-General to provide more precise recommendations and estimates of administrative and financial implications at this stage. As indicated, he will report to the Economic and Social Council at its sixty-fifth session and to the General Assembly at its thirty-third session on the progress of those elements of the Committee's recommendations which he can implement on his own authority or which the General Assembly may authorize pursuant to the recommendations in this submission.

119. He will keep the Advisory Committee on Administrative and Budgetary Questions informed of the progress of implementation on a current basis.

120. The redeployment of functions and of staff will be carried out with the fullest regard to the interest and rights of the staff and fullest utilization of their proven competence.



Annex

Table 1. PERCENTAGE DISTRIBUTION OF STAFF RESOURCES OF THE PROPOSED  
NEW ORGANIZATIONAL UNITS: SUMMARY

New organizational units	Regular budget			Other budgetary resources			Total		
	Prof.	GS	Total	Prof.	GS	Total	Prof.	GS	Total
<u>Interdisciplinary and cross-sectoral research and analysis</u> ("a"+"b"+"f")	61.7	51	56	13	11	12	46.1	37.7	41.9
<u>Support for technical co-operation activities</u> ("c"+"d"+"f")	28.6	35	32	87	89	88	47.3	52.8	50
<u>Staff function</u> ("e")	6	4.4	5.2	-	-	-	4.1	2.9	3.5
("5")	1.7	1.5	1.6	-	-	-	1.1	1.0	1.1
Administrative services	2	8.1	5.2	-	-	-	1.4	5.6	3.5
Total	100	100	100	100	100	100	100	100	100

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Table 1 a. PERCENTAGE DISTRIBUTION OF STAFF RESOURCES TO THE PROPOSED  
NEW ORGANIZATIONAL UNITS: DEPARTMENT OF ECONOMIC AND  
SOCIAL AFFAIRS a/

New organizational units	Regular budget			Other budgetary resources			Total		
	Prof.	GS	Total	Prof.	GS	Total	Prof.	GS	Total
USG ("a"+"b")	1.6	1.0	1.3	-	-	-	1.1	0.7	0.9
"a" - Core	21.1	15.8	18.6	1.4	2.2	1.8	15.1	11.5	13.4
- Statistics	22.0	25.8	23.8	7.0	6.7	6.8	17.4	19.7	18.5
- f ("a") <u>b/</u>	11.8	7.6	9.8	4.9	3.0	3.9	9.7	6.1	8.0
Total "a"	54.9	49.2	52.2	13.3	11.9	12.5	42.2	37.3	39.9
"b" - Core	3.4	3.8	3.6	1.4	0.7	1.1	2.8	2.8	2.8
- f ("b") <u>b/</u>	4.3	3.1	3.8	-	0.7	0.4	3.0	2.4	2.7
Total "b"	7.7	6.9	7.4	1.4	1.4	1.5	5.8	5.2	5.5
Total "a"+"b"	64.2	57.1	60.9	14.7	13.3	14.0	49.1	43.2	46.3
"c"	4.1	2.1	3.1	51.7	31.1	41.7	18.7	11.3	15.1
"d"	11.5	18.5	14.8	33.6	54.9	43.9	18.2	30.0	23.9
f ("c"+"d") <u>b/</u>	12.4	8.6	10.6	-	0.7	0.4	8.6	6.1	7.4
Total "c"+"d"	28.0	29.2	28.5	85.3	86.7	86.0	45.5	47.4	46.4
"e"	5.6	4.1	4.9	-	-	-	3.9	2.8	3.4
Administrative services	2.2	9.6	5.7	-	-	-	1.5	6.6	3.9
Grand total <u>a/</u>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

a/ Excludes: For human settlements: CHBP - 48 RB posts; 21 OB posts plus 8 OB/OTC-related posts.

For social development and humanitarian affairs: CSDHA - 89 RB posts, 20 OB posts and 4 OB/OTC-related posts.

b/ Total (f)                    28.5    19.3    24.2    4.9    4.4    4.7    21.3    14.6    18.1

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Table 1 b. DISTRIBUTION OF STAFF RESOURCES TO THE PROPOSED NEW ORGANIZATIONAL UNITS: REDEPLOYMENT FROM AREAS OTHER THAN THE DEPARTMENT OF ECONOMIC AND SOCIAL AFFAIRS

New organizational units	Regular budget			Other budgetary resources			Total		
	Prof.	GS	Total	Prof.	GS	Total	Prof.	GS	Total
"b" - IAAC	7	4	11	-	-	-	7	4	11
"d" - TARS - Hq.	5	15	20	7	13	20	12	28	40
TARS - Geneva	3	4	7	2	5	7	5	9	14
Subtotal	8	19	27	9	18	27	17	37	54
P and T	-	-	-	12	14	26	12	14	26
Fellowships (AFS/GEN)	2	16	18	-	-	-	2	16	18
Total "d"	10	35	45	21	32	53	31	67	98
"e" - IAAC	3	3	6	-	-	-	3	3	6
Grand total	20	42	62	21	32	53	41	74	115

Table 1 c. DISTRIBUTION OF STAFF RESOURCES TO THE PROPOSED NEW ORGANIZATIONAL UNITS: ADDITIONAL RESOURCES

New organizational units	Regular budget			Other budgetary resources			Total		
	Prof.	GS	Total	Prof.	GS	Total	Prof.	GS	Total
"a": ASG, G-5, GS	1	2	3	-	-	-	1	2	3
"b": ASG, G-5, GS	1	2	3	-	-	-	1	2	3
"c"+"d": *Reclass. to USG	*	-	-	-	-	-	-	-	-
*Reclass. to ASG	*	-	-	-	-	-	-	-	-
"e": *Reclass. to ASG	*	-	-	-	-	-	-	-	-
"5": 1 HLO <u>a</u> /, 1 D-2, 3 D-1, 1 P-4, 1 G-5, 4 GS	6	5	11	-	-	-	6	5	11
Total	8	9	17	-	-	-	8	9	17

a/ One high-level official.

Table 1 d. COSTS RELATED TO THE PROPOSED ADDITIONAL POSTS REQUESTED  
IN TABLE 1 c

	<u>Section</u>	<u>1978</u>	<u>1979</u>	<u>Total</u>
		\$	\$	\$
5C (new)	<u>"a" 1 ASG, 1 G-5, 1 GS a/ b/</u>			
	Salaries	42 900	45 100	88 000
	Common staff costs <u>c/</u>	<u>16 800</u>	<u>17 400</u>	<u>34 200</u>
		59 700	62 500	122 200
	<u>"b" 1 ASG, 1 G-5, 1 GS a/ b/</u>			
	Salaries	42 900	45 100	88 000
	Common staff costs <u>c/</u>	<u>16 800</u>	<u>17 400</u>	<u>34 200</u>
		59 700	62 500	122 200
	<u>Total, section 5C</u>	119 400	125 000	244 400
5D (new)	<u>"c" &amp; "d" Reclassification to USG</u>			
	<u>Reclassification to ASG</u>			
	Salaries	11 500	11 800	23 300
	Common staff costs <u>c/</u>	<u>7 000</u>	<u>7 200</u>	<u>14 200</u>
	<u>Total, section 5D</u>	18 500	19 000	37 500
5E (new)	<u>"e" Reclassification to ASG</u>			
	Salaries	6 700	6 900	13 600
	Common staff costs <u>c/</u>	<u>4 500</u>	<u>4 600</u>	<u>9 100</u>
	<u>Total, section 5E</u>	11 200	11 500	22 700
5F (new)	<u>"5" 1 HLO d/, 1 D-2, 3 D-1, 1 P-4, 1 G-5, 4 GS a/</u>			
	Salaries	164 700	172 500	337 200
	Common staff costs <u>c/</u>	57 300	59 800	117 100
	Travel <u>e/</u>	<u>30 100</u>	<u>31 600</u>	<u>61 700</u>
	<u>Total, section 5F</u>	252 100	263 900	516 000

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Table 1 d (continued)

	<u>Section</u>	<u>1978</u>	<u>1979</u>	<u>Total</u>
		\$	\$	\$
22D	<u>Office of General Services, Headquarters</u>			
	Furniture	60 600 <u>f/</u>	-	60 600
	Accommodation	83 400	87 600	171 000
	Communication	17 400	18 300	35 700
	General operating expenses	<u>6 600</u>	<u>6 900</u>	<u>13 500</u>
	<u>Total, section 22D</u>	168 000	112 800	280 800
25	<u>Staff assessment</u>	111 000	114 100	225 100
	Total, expenditure sections	680 200	646 300	1 326 500
Income				
section 1	Income from staff assessment	111 000	114 100	225 100
	Net additional requirements	<u>569 200</u>	<u>532 200</u>	<u>1 101 400</u>

a/ Standard turnover deduction rates applied (50 per cent for Professional posts and 35 per cent for General Service posts).

b/ Does not include any amount for travel for the ASG post requested at this time. Additional resources may be requested in the Secretary-General's revised estimates to be submitted to the thirty-third session of the General Assembly.

c/ Includes representation allowance.

d/ High-level official.

e/ Includes travel and subsistence costs for one high-level official, one D-2, three D-1 for four trips (one to each region).

f/ Represents non-recurrent costs.

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