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ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

JOINT INSPECTION UNIT

Common services of United Nations organizations at the Vienna International Centre

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Joint Inspection Unit (JIU) on common services of United Nations organizations at the Vienna International Centre (VIC), transmitted by the Secretary-General's note (A/39/520), and the comments of the Secretary-General thereon (A/39/520/Add.1).
2. The JIU study was carried out pursuant to a recommendation by the formal meeting on the conversion of UNIDO into a specialized agency, which was held at Vienna in May 1983.
3. In section V of the JIU report, the Inspectors present their conclusions and recommendations in two parts: existing common services (recommendations 1 and 2) and future common services (recommendations 3-5). The JIU recommendations are addressed by the Secretary-General in paragraphs 9 to 18 of his comments.
4. As indicated in paragraphs 3 and 4 of the Secretary-General's comments, the Memorandum of Understanding, signed on 31 March 1977 by the Secretary-General of the United Nations, the Director-General of the International Atomic Energy Agency (IAEA) and the Executive Director of the United Nations Industrial Development Organization (UNIDO), inter alia, set out principles and procedures for providing

common services and established the basis for cost-sharing among the participants in common services. In accordance with the Memorandum, common services have been allocated as follows:

IAEA: commissary, printing and reproduction, computer services, library service, medical service;

UNIDO: catering service, buildings management, language training;

United Nations: security and safety service.

The Memorandum of Understanding also indicated that the potential for further common services may exist in such areas as procurement, conference services, receiving, storage and inventory control, mail, pouch, visas and property insurance, but that these services would remain separate pending further studies and agreement between the organizations.

5. In paragraph 79 of their report, the Inspectors conclude that "there should be no change in existing common service arrangements unless it is demonstrated that a realignment of responsibilities would lead to more efficient and cost-effective results". The Advisory Committee concurs in this approach, noting that the JIU's review of present common services at the Vienna International Centre have led it to conclude that these services generally function well.

6. Recommendation 1 in the report of JIU calls for the establishment of a joint co-ordination committee of the three organizations (United Nations, UNIDO, IAEA) and for all user organizations to be represented on common service advisory committees. The joint co-ordination committee would have responsibility for reaching agreement on policy issues concerning financial and budgetary questions and for the review of costing procedures and cost-sharing patterns. The Secretary-General indicates that he is in agreement with the recommendation of JIU. The Advisory Committee notes the statement in paragraph 9 of A/39/520/Add.1 that under the system of allocated administration "the managerial responsibility for each common service rests ultimately with the executive head of the organization that provides it". With that statement borne in mind, the Committee believes the recommendation of JIU to be logical and necessary.

7. In recommendation 2 JIU states that the "task of simplifying the cost-sharing keys in computer and other contested services so that they are fully accepted by all parties should be entrusted to the joint bodies". The Secretary-General, in his related comment, assumes that the joint bodies referred to are the common service advisory committees mentioned in recommendation 1. The Secretary-General indicates, in paragraph 7 of A/39/520/Add.1, that the whole issue of cost-sharing is being addressed in the context of a review of the Memorandum of Understanding initiated earlier this year.

8. In their discussion of future common services, the Inspectors refer to the meetings now under way among the United Nations, UNIDO and IAEA to review the Memorandum of Understanding and to explore additional areas of co-operation (see para. 7 above). The Inspectors, in paragraphs 86 to 92 of their report, set out the principles and criteria which they believe should guide the formulation of common service arrangements. These are also referred to by the Secretary-General

in paragraphs 7 and 8 of his comments. The Advisory Committee believes that these principles and criteria are consistent with its own view that providing common services should not be regarded as an end in itself; rather it should be a means of ensuring optimum use of resources.

9. In recommendation 3, JIU calls for an immediate investigation to identify which services (including those referred to by JIU in paragraph 95 of its report) could be the subject of common service arrangements. The Secretary-General indicates, in paragraph 13 of his comments, that the possibility of including additional common services will receive "due attention" in the course of the review now under way (see para. 8 above).

10. Recommendation 4 of JIU is as follows:

"The Secretary-General should withhold implementation of any definitive or substantive changes in existing joint services until after the Constitution of the new UNIDO has effectively entered into force and should review actions already taken in the light of the conclusions and recommendations of this study. Subject to this, the informal review under way by VIC occupants of existing common services and consultations on future common services as recommended above should continue."

11. This recommendation relates to the position taken by the Inspectors in paragraph 78 of their report that the Secretary-General's actions to establish separate United Nations services in the legal, personnel and public information areas were premature. The Advisory Committee notes that the Inspectors believe, however, "that the Secretary-General's action should not forestall opportunities for maintaining and even expanding common services in a significant manner after UNIDO accedes to its new formal status".

12. For his part, the Secretary-General points out, in paragraph 14 of A/39/520/Add.1, that proposed arrangements for information and personnel services were contained in his report in document A/C.5/38/87. This report was taken note of by the General Assembly in resolution 38/234. In this connection, the Advisory Committee recalls that a new post for a separate United Nations senior legal liaison officer within the United Nations Office at Vienna was approved by the General Assembly at its thirty-seventh session. ¹/ The Secretary-General also indicates that the changes made relate to internal administrative arrangements that are neither of a "common service" nature nor the subject of formal agreements. The Secretary-General, in paragraph 15 of A/39/520/Add.1, also states that the administrative action taken with regard to personnel and information services does not "prejudice consultation leading to further agreements among the three organizations concerned to extend common services along lines compatible with their respective work programme requirements and legislative mandates". This statement would appear to be compatible with the belief of JIU quoted in the last sentence of paragraph 11 above.

13. Recommendation 5 states that:

"The existing UNIDO/United Nations joint conference service should be continued after UNIDO becomes a specialized agency and the present informal

co-operative arrangement with some IAEA conference-servicing units should be formalized. Modalities should be determined for pooling other IAEA conference-servicing units into a single VIC conference structure after application of the principles and criteria set forth in paragraphs 86-92."

This recommendation is based on the conclusion of the Inspectors, in paragraph 73 of that report, that it would be "wasteful of scarce financial and human resources to operate three separate conference services at VIC whose outputs and efficiency cannot be guaranteed to be of a better quality". In paragraph 73 it is also indicated, however, that:

"The Executive Director of UNIDO has expressed reservations concerning the establishment of a single conference service to serve the three organizations, but at the same time he expressed UNIDO's readiness to study the proposal to establish one unified conference service, taking into account the needs of each organization, the experience gained in recent years, and the cost involved ... IAEA, on the other hand, has strong reservations on the principle of creating a single conference service to serve all three organizations, the main reason being their fear that a single service would not meet the technical and scientific needs of their organization, nor accommodate their practice of holding meetings outside Vienna."

14. The Secretary-General, in his related comments, describes the present situation (para. 17) and states in paragraph 18 that he:

"has consistently favoured the goal of unifying conference services to achieve maximum efficiency and economy. In the light of its experience in this field and its ability to recruit and retain a large, well-qualified language staff, as exemplified by the situation in Geneva, and in view of its mandate to provide the full range of servicing operations for its deliberative bodies, the United Nations is ready to assume the responsibility of providing conference services for all organizations at the Vienna International Centre. The views and guidance of Member States are sought on this question."

The Advisory Committee supports the idea of a unified conference service and, taking into account the reasons advanced by the Secretary-General in paragraph 18 of A/39/520/Add.1, believes responsibility for this should be assumed by the United Nations. In this connection, the Committee trusts that the merger of conference services can be accomplished without adding to the existing administrative structure.

Notes

1/ See the report of the Secretary-General in A/C.5/37/62 and the related report of the Advisory Committee - Official Records of the General Assembly, Thirty-seventh Session, Supplement No. 7 (A/37/7 and Add.1-24), document A/37/7/Add.19.