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UNITED NATIONS PROGRAMMES OF TECHNICAL CO-OPERATION

Budget estimates of the Technical Assistance Board secretariat for 1962

Twenty-third report of the Advisory Committee on  
Administrative and Budgetary Questions to the  
General Assembly at its sixteenth session

Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the 1962 budget estimates of the Technical Assistance Board (TAB) secretariat, which have been submitted by the Executive Chairman of TAB in document E/TAC/110.
2. The Advisory Committee's examination of the TAB estimates is complementary to its review of the administrative budget of the United Nations Special Fund and the regular budget of the United Nations, the specialized agencies and the International Atomic Energy Agency (IAEA),<sup>1/</sup> all of which have a close bearing on the administrative and financial arrangements and procedures in respect of the Expanded Programme of Technical Assistance, and therefore of the TAB secretariat.

General comments

3. The TAB estimates under review reflect the constant growth of the Expanded Programme of Technical Assistance, as in the case of other United Nations programmes of technical co-operation, resulting from an ever-increasing number of requests

<sup>1/</sup> For the Advisory Committee's report on the 1962 budget estimates of the United Nations, see Official Records of the General Assembly, Sixteenth Session, Supplement No. 7 (A/4814). The Committee will shortly report on the 1962 budgets of the specialized agencies and the IAEA and on the 1962 administrative budget of the Special Fund.

from a growing community of nations. The planned expansion of activities is based on, and will be facilitated by, the encouraging results of the Pledging Conference for 1962 which was held in mid-October.

4. The Advisory Committee has been informed that total receipts in 1962 are estimated at some \$42.9 million, as compared with \$41.7 million pledged for 1961 as at 30 September 1961. Thus, the Expanded Programme of Technical Assistance is expected to receive a minimum increase for 1962 of \$1.2 million. This figure does not take into account certain contributions and increases in contributions which the Executive Chairman of TAB fully expects to receive. Furthermore, the minimum increase of \$1.2 million for 1962 is a net figure, and takes into account decreases in 1962 pledges that are of a non-recurring nature, totalling over \$2 million, including United States matching contributions. Taking only increased pledges, together with United States matching, the increase in the level of contributions for 1962, over 1961, would be in excess of \$3.3 million.

5. These results not only mean that TAB will be in a position to provide more technical assistance next year, but they signify increasing governmental support for multilateral technical co-operation under United Nations auspices.

6. The Advisory Committee would, at the same time, call attention to the ratio of TAB secretariat expenses to the total programme foreseen for 1962, which has reached a new high level. On the basis of a total programme of some \$44.4 million, the estimated net requirement for the TAB secretariat to be met from EPTA resources in 1962 is \$3,528,000, or 7.9 per cent. This compares with ratios of 6.4 per cent for 1961, 6.0 per cent for 1960 and 5.7 per cent for 1959. In the opinion of the Advisory Committee, this rate of increase would seem to be excessive and difficult to justify in normal circumstances. However, the Advisory Committee is aware that an increasing amount of attention is being given by inter-governmental organs to the position and function of the Technical Assistance Board and its Resident Representatives in the total context of multilateral programmes for technical co-operation and that TAB is under a strong mandate to strengthen the authority and co-ordinating role of the Resident Representatives and to give them more adequate staff and administrative support. Furthermore, the Committee would agree that there is justification for the installation of Resident Representatives in the emerging countries. At the same time, the Committee would express the view that, while it might be desirable to have direct

representatives of TAB in those countries for a few years after independence, provided the volume of the assistance given warrants the appointment of a Resident Representative, it feels that such an arrangement should neither be made permanent nor become institutionalized. Indeed, after the necessary projects have been initiated in the new countries, consideration might be given to a greater emphasis on a regional approach which would not only ensure a more efficient use of staff and other administrative resources, but would also ensure service to a wider range of countries. While recognizing that TAB is under some pressure from Governments to increase the establishment and the coverage of its local offices, the Advisory Committee also would be inclined to believe that it might be desirable to review periodically the manning tables of those field offices which have been in existence for some time.

7. By the same token, the Advisory Committee would commend the policy of the Technical Assistance Board concerning the use of "correspondents" - i.e. experts provided by participating organizations and thus not paid by TAB - in countries whose programmes as yet do not justify, in monetary terms, the significant expense involved in the establishment of a Resident Representative.

8. The Advisory Committee notes that "contingency" provision has been made for the estimated additional costs which would result from General Assembly approval of increases which have been proposed in the international salary scales of staff in the professional and higher categories (\$41,700 under chapter V of part I for Headquarters staff, and \$130,000 under chapter VIII of part III for field offices). The Advisory Committee has been informed that these provisions would naturally be utilized only to the extent that the Assembly action warrants. The Committee is aware that considerations of timing are involved in the inclusion of the provisions in question, since the Technical Assistance Committee is due to meet towards the end of November, and the General Assembly might not have taken its decision by that time. The Advisory Committee would observe, however, that normal practice precludes the inclusion in budget estimates of any new item of expenditure for which legislative authority has not yet been given. The Committee would suggest that, in similar circumstances in the future, a more acceptable alternative budgetary presentation might be found.

9. The Advisory Committee has inquired into the method used for determining the amount of subvention from the Special Fund to the TAB for services rendered to

the Fund by TAB field offices. The Committee is informed that, in order to arrive at a reasonable estimate of an appropriate level for the subvention to the TAB for 1961, a detailed office-by-office review was made, and additional costs to field offices which were directly attributable to Special Fund operations were identified. This detailed procedure was not repeated for 1962. Instead, starting with the base figure agreed for 1961, the additional costs in 1962 attributable to new offices and new posts in existing offices have been divided on a fifty-fifty basis. The increased costs of maintaining the 1961 establishment in 1962 have been divided in the same ratio<sup>2/</sup> as that adopted for 1960 field offices estimates. This approach resulted in the proposed amount of \$771,200 for the Special Fund subvention for 1962, which the Managing Director and the Executive Chairman have agreed to be a reasonable and conservative figure.

#### Estimates for 1962

10. The total of the estimates proposed for 1962 (E/TAC/110) amounts to \$4,298,700 (net of staff assessment), an increase of \$1,052,000 over the amount approved for 1961. Of the total provision requested, an amount of \$771,200, or \$361,200 more than in 1961, would be received as a subvention from the Special Fund towards the costs of TAB field offices in recognition of the services which those offices provide to the Special Fund. The greater part of the total increase, specifically \$893,500, relates to field offices; of this amount, \$313,900 is the estimated cost of establishing eight new offices and six correspondents, with the remainder intended mainly to strengthen existing offices.

11. The comments below are given under the three parts which make up the total estimates.

#### Part I. Headquarters secretariat

12. The estimates under part I for the Headquarters secretariat amount to a total of \$781,000 on a net basis, representing an increase of \$158,500 over the provision for 1961 - \$78,800 under salaries and wages, \$22,500 under other departmental costs, \$15,500 under common staff costs, and \$41,700 under a new item "Contingency" to cover the estimated additional headquarters costs which would result from

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<sup>2/</sup> TAB, 84 per cent; Special Fund, 16 per cent.

General Assembly approval of increases which have been proposed in the international salary scales (for further comments on this point, see para. 8 above). Apart from this last item, most of the increase is in respect of the proposed establishment of four professional and three general service posts. In addition, a P-3 and a P-5 post have been reclassified upward to P-4 and D-1, respectively.

13. In terms of functions, the changes in the manning table may be summarized as follows:

(a) One professional post (P-2) and one general service post (G-3), concerned with public relations and liaison with OPI, have been transferred from the Joint Administration Division to the Office of the Executive Chairman, which is primarily interested in these matters. In addition, both posts of Liaison Officers in Europe (Paris and Geneva) have been reclassified from P-3 and P-5 to P-4 and D-1, respectively, to reflect the increased responsibilities assigned to these two posts (see para. 15 below);

(b) Three professional posts (P-5, P-4 and P-1) and two general service posts have been added to the Joint Administration Division. The first two are required to strengthen the administrative support at Headquarters for the field establishment and to reinforce the joint financial management services provided by the Division to TAB and the Special Fund. The junior professional post (P-1) will be assigned on a rotating basis to the several functional sections of the Division as a trainee post. This will provide the opportunity, which has not hitherto existed in the TAB secretariat, to recruit and train on the job junior professional staff (see para. 16 below). One P-2 post and one G-3 post have been transferred to the Office of the Executive Chairman as indicated in (a) above;

(c) One professional post (P-1) and one general service post (G-3) have been added to the Programme Division, the latter because of the increased programming responsibilities which have devolved on the TAB secretariat; the P-1 post will provide a second junior trainee post as explained in (b) above.

14. Concerning the reasons which justify the proposed upward reclassification of the Liaison Officers Posts at Geneva and Paris, the Advisory Committee has been informed that the Geneva post is one of the key posts in TAB, that the incumbent must discharge a function which is vitally important for the whole Technical Assistance Programme in ensuring close, continuing and effective day-to-day liaison with the headquarters of the numerous participating organizations located in Europe.

Moreover, he has special responsibilities with respect to the establishment of broad policies governing the administration of the fellowship programme. The post of Liaison Officer in Paris was established in 1959 as an experiment. The incumbent, who is based on the technical assistance recruitment unit in Paris, has been given specialized duties relating to recruitment from Eastern Europe and utilization of Eastern European contributions. These functions involve close and continuing liaison with the Governments concerned and with the officials of the participating organizations who are responsible for their activities in this specialized field. The post was initially established at the P-3 level on a trial basis. The Advisory Committee understands that the results achieved justify continuation of the arrangement, with reclassification at the P-4 level.

15. The Advisory Committee has noted with interest the proposed creation of two junior trainee posts (P-1) which will provide opportunities to recruit and train junior professional staff. It would appear that an arrangement of this kind is overdue. Officials at the P-2/P-3 level in the field tend to be given responsibilities which require a thorough working knowledge of United Nations administrative and programming practices and procedures. The Advisory Committee understands that recruiting from outside the Organization at this level is difficult and does not produce the best results; indeed, in the current year, posts have remained open which could have been filled had there been the possibility of a headquarters training programme.

#### Part II. Other joint administrative costs

16. The Advisory Committee has previously concurred<sup>3/</sup> in the treatment of the provision of \$40,000 under part II of the TAB estimates as a lump sum subvention to the United Nations in partial recognition of certain financial and accounting services provided by the Organization to the Expanded Programme.

#### Part III. Field offices

17. The 1962 estimates under part III for field offices amount to \$3,477,700 (net of staff assessment), or an increase of \$893,500 over the 1961 provision, including a \$130,000 Contingency provision to cover the estimated costs of the

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3/ Official Records of the General Assembly, Sixteenth Session, Supplement No. 7 (A/4814), para. 297 (a).

proposed increase in international salary scales (for further comments on this point, see para. 8 above). Of the total estimate, an amount of \$771,200 would be offset by a subvention from the administrative budget of the Special Fund; for 1961, there was a similar subvention of \$410,000.

18. The manning table proposed for 1962 is compared below, by categories of staff, with that approved for 1961:

	<u>1962</u>	<u>1961</u>
<u>International staff</u>		
Director (D-2)	28	22
Principal Officer (D-1)	12	16
Professional (P-5 to P-1)	67	48
General service	<u>34</u>	<u>35</u>
Sub-total	141	121
<u>Local staff</u>		
Professional	10	9
General service	<u>690</u>	<u>499</u>
Sub-total	700	508
Grand total	<u>841</u>	<u>629</u>

19. The eight new offices<sup>4/</sup> and six new sub-offices<sup>5/</sup> (correspondents<sup>6/</sup>) proposed for establishment would account for twelve international and fifty local staff, as well as a net expenditure for TAB of some \$303,600. The remainder of the additional staff and of the increase in expenditure, excluding the contingency provision (chapter VIII), is related to the maintenance of the other fifty-six offices, allowing for normal salary increments and other similar rises in costs, and a strengthening (nine international and seventy-nine local posts) of thirty-nine of those offices to take account both of programme expansion and of the increasing responsibilities under the Special Fund.

<sup>4/</sup> Cameroun, Chad, Congo (Brazzaville), Dahomey, Mali, Ruanda-Urundi, and two other locations in Central and East Africa to be determined after further negotiations.

<sup>5/</sup> Central African Republic, Cyprus, Mauritania, Niger, Sierra Leone and Upper Volta.

<sup>6/</sup> Correspondents are experts recruited by participating organizations and thus excluded from the above manning table and other staff figures shown here.

20. The Advisory Committee notes that the eight new offices will initially be staffed on a reduced basis; it has been informed that six of them are budgeted on the assumption that they will be in operation from 1 January 1962. Participating agencies and Governments have been urging TAB to bring these offices into operation as soon as possible. The remaining two offices are budgeted from 1 July 1962. In addition, a small saving for deferred recruitment (\$92,560 (4 per cent)) has been provided for under Established posts. In this respect, the Advisory Committee has been assured that the approved budget will be administered with careful attention to the need for economical operation, and that no request for supplementary appropriations is to be expected for 1962. However, it appears that the present trend towards an expansion of the responsibilities given to Resident Representatives in respect of administration, programming and co-ordination would preclude any assurance that future operations could be continued on the basis of reduced staffing. On the other hand, the Advisory Committee notes that it is the intention of TAB to maintain the staffing of its offices on a reduced basis as long as possible in countries where the volume of aid is small, on the assumption that there will be no large increase in programmes and provided that suitable arrangements can be made to give guidance through a senior Resident Representative located in a neighbouring country.

21. The provision requested for temporary assistance for field offices in 1962 (\$75,700) is 88 per cent higher than that for 1961 (\$40,200). The Advisory Committee has been informed in this respect that the significant increase in the above provision is caused largely by the uncertainties which exist concerning the appropriate eventual number of established posts for the offices to be opened in 1962. In some cases, therefore, the Executive Chairman has provided for increased amounts for temporary assistance, for the time being, in lieu of budgeting for established posts. In addition, it would appear that, in any event, the costs of temporary assistance have been underestimated for 1961. The Advisory Committee would agree that the above approach is a reasonable one in the present circumstances; it would, however, urge restraint and strict control in such use of temporary assistance.

22. Another substantial increase appears in item B of part III of the estimates (Allowances, Benefits and Common Staff Costs) which would rise from \$458,300 in 1961 to \$622,600 in 1962. The Advisory Committee notes that this increase results



mainly, but not entirely, from the expansion of the manning table. Thus, of the total increase of roughly \$164,000, about \$110,000 is a consequence of the increased staffing. The remainder (\$54,000) is to be found in provisions for Pension Fund contributions and education grants. It will be recalled that 1962 is the first full year in which the increase in pension benefits and pensionable remuneration rates apply. The United Nations policy with respect to administration of the education grant rules has also been liberalized in the course of the current year<sup>7/</sup> and the budgetary provisions for 1962 reflect that liberalization.

23. The Advisory Committee would also call attention to the considerable increases in relative terms under chapters IV (Travel and transportation, up \$88,940 to \$353,640) and V (Contractual and other services, up \$69,900 to \$212,200). These provisions cover various expenses (local travel, travel within the country, office accommodation rentals and maintenance, medical assistance to local staff, etc.) which are incurred in the country where the particular field office is located and are payable in the local currency. It would therefore appear reasonable to expect the Governments of the host countries to assume a maximum share of these costs, thus freeing Technical Assistance funds for projects.

24. The Advisory Committee understands that TAB fully shares its views on the importance of adequate host government support of TAB field offices. This is a question which is constantly before the Board. It would seem that the record of government financial participation in TAB field offices is on the whole a good one. In almost every case, the financial participation of the Government in TAB field office costs has increased year after year. In budgeting for new offices TAB has had to make conservative assumptions regarding government contributions, at least for the first year of operation. The Advisory Committee has been informed that TAB intends to continue its efforts to obtain increasing financial support from host Governments and it would commend such efforts and express the hope that the Governments concerned will respond generously.

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<sup>7/</sup> Approved by the Fifth Committee at its 806th meeting on 1 December 1960. See Official Records of the General Assembly, Fifteenth Session, Annexes, agenda item 60, documents A/C.5/832, A/4591 and A/4642.

Conclusion

25. The Advisory Committee notes that the Technical Assistance Committee will be invited to approve 1962 estimates for TAB in the amount of \$4,298,700 net and to agree on \$771,200 as the appropriate amount of the subvention to be received from the administrative budget of the Special Fund in 1962, in recognition of the services provided by TAB field offices for Special Fund activities. The Advisory Committee has no specific comment to make on these total amounts. However, as a general observation, it would draw attention to the views expressed in paragraphs 6 and 7 above on the question of the ratio of administrative expenses to total project costs. Since it is accepted as desirable that voluntary funds should be utilized to the greatest possible extent for operational purposes, the Advisory Committee would express the hope that every effort will be made, not only to achieve a more controlled growth of administrative overhead than indicated by the present trend, but that the general objective of keeping such costs to the minimum will constantly be kept in mind.

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