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SUPPLEMENTARY ESTIMATES FOR THE FINANCIAL YEAR 1969

Third report of the Advisory Committee on
Administrative and Budgetary Questions to the
General Assembly at its twenty-fourth session

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the supplementary estimates for the financial year 1969 (A/7673).

General analysis of supplementary estimates

2. The Secretary-General's revised estimate of requirements under the expenditure sections of the budget for 1969 amounts to \$157,257,300. This is \$2,342,050 more than the expenditure appropriation of \$154,915,250, approved by the General Assembly in its resolution 2482 A (XXIII) of 21 December 1968. Of this amount \$1,113,800 relates to commitments initially entered into in accordance with the provisions of General Assembly resolution 2483 (XXIII) of 21 December 1968; on unforeseen and extraordinary expenses, and resolution 2034 (XX) of 7 December 1965 on assistance in cases of natural disaster; the balance of \$1,228,250 represents expected additional requirements for which no authorization has yet been given.

3. In addition, the Secretary-General now estimates total income for 1969 at \$26,501,950, made up of \$17,520,000 from staff assessment and \$8,981,950 from other sources. This represents a reduction of \$718,290 compared with the income estimate for 1969 as approved by the General Assembly of \$27,220,240, made up of \$17,985,000 from staff assessment and \$9,235,240 from other sources.

4. The increase in the estimated expenditure budget for 1969, together with the decrease in estimated income for the same year, would make it necessary for Member States to pay in 1970, by way of additional assessments, an amount of \$3,060,340 attributable to expenditures in 1969.

5. As can be seen from the following table, the increased requirements under the expenditure sections arise from expected over-expenditures in sections 1 to 3, 5, 8 to 12, and 17 to 19; these are partly offset by expected under-expenditures under section 4 and especially under sections 20 and 21.

<u>Section</u>	<u>Expected over-expenditure</u>	<u>Expected under-expenditure</u>
	\$ US	\$ US
1. Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies	30,650	
2. Special meetings and conferences	67,100	
3. Salaries and wages	913,700	
4. Common staff costs		63,000
5. Travel of staff	254,400	
8. Permanent equipment	155,000	
9. Maintenance, operation and rental of premises	77,000	
10. General expenses	191,000	
11. Printing	96,400	
12. Special expenses	63,200	
17. Special missions	763,100	
18. Office of the United Nations High Commissioner for Refugees	94,000	
19. International Court of Justice	193,200	
20. United Nations Conference on Trade and Development		317,000
21. United Nations Industrial Development Organization		176,700
Totals	<u>2,898,750</u>	<u>556,700</u>
Less expected under-expenditure	<u>556,700</u>	
Supplementary appropriation requested by the Secretary-General	<u>2,342,050</u>	

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6. The table shows that expected over-expenditures on a section-by-section basis add up to \$2,898,750 and under-expenditure to \$556,700. On a chapter-by-chapter basis they amount to \$4,318,850, and under-expenditures to \$1,976,800.

7. Adjustments to the income estimates for 1969 are as follows:

<u>Income section</u>	<u>Expected shortfall</u>	<u>Expected surplus</u>
	\$ US	\$ US
1. Staff assessment income	465,000	
2. Funds provided from extra-budgetary accounts		205,210
3. General income		63,500
4. Revenue-producing activities	522,000	
Totals	<u>987,000</u>	<u>268,710</u>
Less expected surplus	268,710	
Net reduction in income	<u>718,290</u>	

8. Following is a breakdown of the amount of \$1,113,800 relating to obligations and expenditures incurred under the provisions of General Assembly resolutions 2483 (XXIII) and 2034 (XX) on unforeseen and extraordinary expenses and on assistance in cases of natural disaster:

(i) Commitments incurred under paragraph 1 of resolution 2483 (XXIII), with the prior concurrence of the Advisory Committee on Administrative and Budgetary Questions

	\$US	\$US
<u>Section 1, chapter III</u>		
Travel and subsistence payments for Special Rapporteurs on slavery and on economic and social rights	7,000	

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	\$US	\$US
<u>Section 8, chapter IV</u>		
Purchase of colour television equipment for the Office of Public Information <u>1/</u>	105,000	
<u>Section 17, chapter V</u>		
Enlargement of mandate and continuation of activities of <u>Ad Hoc Working Group of Experts</u> established under resolutions 2 (XXIII) and 21 (XXV) of the Commission on Human Rights	5,600	
<u>Section 17, chapter IX</u>		
Extension of mission of the Representative of the Secretary-General to Nigeria	50,300	
<u>Section 17, chapter XIII</u>		
Costs of activities of Special Working Group of Experts to investigate Israel's violations of the Geneva Convention of 1949	112,800	
<u>Section 19, chapter II</u>		
Additional temporary assistance for the International Court of Justice	147,200	427,900
(ii) <u>Commitments relating to the maintenance of peace and security incurred under the provisions of paragraph 1 (a) of resolution 2483 (XXIII)</u>		
<u>Section 17, chapter I</u>		
Expenses of the United Nations Truce Supervision Organization as a result of hostilities in the Suez Canal area	385,300	
<u>Section 17, chapter XI</u>		
Mission of the Special Representative of the Secretary-General to Equatorial Guinea	28,000	

1/ Expected to be fully offset by the end of 1970 by increased subscription payments for television services.

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	\$US	\$US
<u>Section 17, chapter XII</u>		
United Nations Middle East Mission	166,600	579,900
(iii) <u>Commitments incurred under paragraph 1 (b) (i) of resolution 2483 (XXIII)</u>		
<u>Section 19, chapter I</u>		
Ad Hoc judges	46,000	46,000
(iv) <u>Expenses incurred under the provisions of resolution 2034 (XX)</u>		
<u>Section 12, chapter X</u>		
Assistance in cases of natural disaster	60,000	60,000
		<u>1,113,800</u>

9. If the above-mentioned items are subtracted from the gross anticipated additional requirements of \$4,318,850, a balance of \$3,205,050 remains. This figure includes \$104,500, for additional requirements relating to the maintenance of peace and security, and a further amount of some \$450,000 which applies to expenses which have been either carried over from 1968 or brought forward from 1970, or which involve corresponding increases in income.

10. Furthermore, the Advisory Committee has been informed by the Secretary-General that increases in general service, manual worker and local wage and salary rates, post adjustment revisions and related items, along with higher rates for certain utilities and services, account for \$1,044,600 of the gross over-expenditure, as follows:

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<u>Section</u>	<u>Item</u>	<u>\$US</u>
1.	Salary increases and changes in subsistence allowance of Canadian members of the Board of Auditors	46,450
3.	Revision in post adjustment at Geneva on 1 May instead of projected date of 1 October	75,000
	Revision in post adjustment at Headquarters on 1 December instead of projected date of 1 January 1970	57,000
	Salary increases for general service and manual workers at Geneva	225,000
	Costs in excess of amount included in appropriations relating to security service at Headquarters	30,000
	Higher rates of pay of short-term language staff	63,000
4.	Increase in dependency allowance for general service and manual workers at Geneva	35,000
	Increased cost of pension contribution resulting from salary increases for general service and manual workers at Geneva	30,000
9.	Wage and fringe benefit increases provided in new union contract for contractual services	158,000
	Increased water and electricity rates	55,000
10.	Telephone and postage rate increases	23,000
	Contractual wage increases for television and radio engineers	38,000
12.	Labour rates increase, Memorial Cemetery in Korea	3,200
17.	Revision of allowance of military observers, UNTSO	128,000
18.	Post adjustment and general service salary increases	40,000
20.	Salary increases, UNCTAD/GATT Trade Centre	28,000
21.	Increase in overtime rates	10,000
	Total	<u>1,044,600</u>

11. The balance of the supplementary requirements, amounting to some \$1.6 million, is attributed to a number of factors, principally additional personnel costs over and above the appropriation (and especially temporary assistance, overtime and night differential), additional needs for rentals, equipment, supplies and general expenses, under-estimation of entitlements under the Staff Regulations and Rules, and decisions of intergovernmental and

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other bodies. The Advisory Committee recognizes that some of these factors may well be beyond the Secretary-General's control. However, it is convinced that there are areas in which substantial savings might have been possible - with a consequential reduction in the over-all supplementary request for 1969 - had a more determined effort been made to remain within the budgetary appropriation voted by the General Assembly in its resolution 2482 A (XXIII).

Observations on individual sections

Section 1: Travel and other expenses of representatives and members of commissions, committees and other subsidiary bodies

12. The Advisory Committee noted that the additional requirements under this section (of \$30,650 net) are largely attributable to the fact that the expenses related to the Board of Auditors are expected to exceed by \$87,850 the funds available for that purpose. The revised requirements of the Board for 1969 would thus amount to \$323,000 as against actual expenses of \$138,200 in 1966. In this connexion the Advisory Committee has already pointed out in its report on the 1970 budget estimates that in recent years the Board's actual requirements have tended to exceed greatly the initial estimates.^{2/} It expressed the hope that this practice would not become a regular feature of the estimates for section 1.

13. The supplementary request under this section includes \$22,300 for additional meeting activity on the part of the Committee for Development Planning and the Sub-Commission on the Prevention of Discrimination and Protection of Minorities. The Advisory Committee understands that when the modified meeting schedules were approved by the Committee on Conferences, the financial implications of the changes could not be clearly foreseen. In the interests of budgetary discipline the Advisory Committee would urge that all bodies should plan their future meeting programmes with sufficient accuracy to enable the Secretary-General to prepare meaningful statements of financial implications and to make it possible for the Committee on Conferences to submit its recommendations in full knowledge of all the relevant administrative and financial implications.

^{2/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 8 (A/7608), para. 114.

Section 2: Special meetings and conferences

14. The supplementary request of \$67,100 under this section is due primarily to the needs of the Conference of the Committee on Disarmament, now estimated at \$850,000, or \$100,000 more than the appropriation. The Advisory Committee assumes that when the Committee is not actually meeting, conference servicing staff attached to it will, where possible, be assigned to other tasks at the Geneva Office, thereby reducing the need for temporary assistance.

Section 3: Salaries and wages

15. The revised estimate for section 3 is as follows:

<u>Chapter</u>	<u>Appropriation</u>	<u>Revised estimate</u>	<u>Increase</u>
	\$US	\$US	\$US
I. Established posts	63,898,900	64,286,000	387,100
II. Temporary assistance for meetings	1,076,900	1,298,000	221,100
III. Other temporary assistance	2,603,500	2,723,000	119,500
IV. Overtime and night differential	916,000	1,102,000	186,000
	<u>68,495,300</u>	<u>69,409,000</u>	<u>913,700</u>

16. For chapter I the Secretary-General attributes the over-expenditure wholly to unforeseen post adjustment and general service salary increases, notably at Geneva, where they account for \$300,000. He indicates that vacancies in the professional category and above declined from 183 at the end of January 1969 to 162 at the end of May and 129 at the end of August; further, some sixty new appointees are expected to report for duty at Headquarters by the end of the year. The Advisory Committee notes that progress has been made in reducing vacancies during the first eight months of 1969 and that this trend is expected to continue;

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at the same time it calls attention to the fact that separations and transfers during the last four months of the year could significantly offset the effect of new recruitment on the vacancy situation. Consequential reductions might be expected in the level of resources needed under chapter I of section 3.

17. Under chapter II, post adjustment and salary increases account for \$63,000 of the additional expenditure. The balance of \$158,100 is due mainly to reinforcement of temporary language staff for meetings in Geneva, the provision of seven additional interpreters for the twenty-fourth session of the General Assembly, and strengthening of typing and ancillary general service assistance in the Office of Conference Services. The Secretary-General has explained these additional temporary assistance needs in part by the reductions voted by the Assembly at its twenty-third session to his request for conference servicing staff under chapter I of section 3. In this connexion the Advisory Committee feels bound to observe that in paragraph 151 of its report on the budget estimates for 1969^{3/} it had stated that in examining the Secretary-General's estimates for section 3, chapter II, it

"... took into account the increase it has recommended in the number of language and other meetings staff both at Headquarters and Geneva. While acknowledging that the Secretary-General has submitted reduced requirements under this heading in the light of his proposals for new permanent staff at both offices, the Committee would have expected greater savings than those indicated by the Secretary-General".

The Committee has already indicated in paragraph 11 above its conviction that there are areas where savings might have resulted from a more determined effort to remain within the approved appropriation; such an area is chapter II, where adequate steps do not appear to have been taken during the first nine months of 1969 to ensure that requirements for the entire year do not exceed the amount approved by the General Assembly.

18. The expected over-expenditure under chapter III arises in large part from the requirements of the Secretariat of the United Nations Joint Staff Pension Fund, which show an increase of some \$123,000. This item, however, is fully

^{3/} Ibid., Twenty-third Session, Supplement No. 7 (A/7207).

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reimbursable and the equivalent amount is credited to income section 2. As pointed out in the Advisory Committee's report on the budget estimates for 1970,^{4/} costs of this type will in future be charged directly to the Pension Fund. A provision of \$42,800 is requested for translation, revision and typing in Geneva of a consultant study carried out for UNDP into the capacity of the United Nations system to expand its technical assistance activities.

19. The Advisory Committee has noted that much of the under-expenditure of \$115,900 for Ad Hoc expert groups under chapter III results from the postponement of some meetings to 1970 and is therefore not a real saving.

Section 4: Common staff costs

20. Taking into account its observations above on section 3 the Advisory Committee considers that the estimated under-expenditure of \$63,000 for section 4 is somewhat understated.

Section 5: Travel of staff

21. Of the total supplementary request of \$254,400 under this section, \$232,000 is to cover expected requirements under chapter III (travel of staff and dependants on home leave). The estimate is based on actual obligations and expenditures to 31 August 1969 and known home leave entitlements for the balance of the year. Although it would appear possible that some such entitlements will not be used, the Committee is not recommending any specific reduction in the Secretary-General's revised estimate.

Section 11: Printing

22. Much of the supplementary request under this section arises from the fact that the Department of Economic and Social Affairs has been able in 1969 to prepare for printing a larger proportion than usual of the manuscripts figuring in its publication programme for the year. The Secretary-General therefore proposes to go ahead with the printing of this material in 1969 rather than carry it over to 1970. The Advisory Committee notes with interest this improved

^{4/} Ibid., Twenty-fourth Session, Supplement No. 8 (A/7608), para. 374.

drafting performance in the department with a consequential reduction in its publications backlog. At the same time the Committee feels that it may be difficult to arrange for the printing of all the material in hand by the end of the year, and therefore considers that a reduction is possible in the supplementary estimate for section 11.

Section 17: Special missions

23. The Advisory Committee has noted that of the supplementary request of \$489,800 for the United Nations Truce Supervision Organization in Palestine (UNTSO), more than \$200,000 is due to measures considered necessary to safeguard UNTSO personnel, including the relocation of the Kantara control centre at a cost of \$174,000. For similar reasons the relocation of a second control centre has been recommended by the Chief of Staff, but no budgetary provision for this move has been made pending the selection of an alternative site. An amount of \$138,300 is requested for the replacement of equipment destroyed as a result of military action in the Suez Canal area; the Committee expects that the Secretary-General will make every effort to secure compensation for this damage from the Governments concerned.

24. A supplementary estimate of \$166,600 is included under section 17 for the requirements of the United Nations Middle East Mission. No provision was sought for this item in the 1969 budget as originally presented, as the needs arising from its continuation could not be accurately foreseen. Expenses for the Mission have been incurred under the authority granted to the Secretary-General by the General Assembly in paragraph 1 (a) of its resolution 2483 (XXIII).

25. The Advisory Committee notes that the combined expenditure in 1960 of the Ad Hoc Working Group of Experts and the Special Working Group of Experts provided for under chapters V and XIII of section 17 will amount to \$150,400.

Section 20: United Nations Conference on Trade and Development

26. The Advisory Committee has noted that, as in past years, a very considerable under-expenditure is expected for this section. The principal factor, in the amount of \$350,000, is the existence of vacancies under chapters III (Salaries of the UNCTAD secretariat) and XI (Salaries of administrative and

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conference staff provided by other United Nations offices), together with the fact that some posts are encumbered by staff at lower levels than the authorized grade or by short-term appointees. Lower common staff costs of staff provided for under chapter XI result in a saving of \$40,000 under chapter XII. Offsetting items of over-expenditure total \$150,000, mainly for general expenses (chapter VIII), printing (chapter IX) and the International Trade Centre (chapter X).

27. Despite the expected saving of \$320,000 for established posts of the UNCTAD secretariat, no provision is made for a reduction in related common staff costs (chapter IV); the Advisory Committee was informed, however, that a recalculation of the requirements under this chapter has shown that the appropriation can be reduced by \$32,000.

28. In its review of the revised estimate for section 20 the Advisory Committee came to the conclusion that, taking into account the information available for the current year and the experience of past years, under-expenditure is likely to be considerably greater than the figure of \$317,000 estimated by the Secretary-General. It considers that in those chapters where the Secretary-General expects surpluses, savings may reasonably be expected to exceed those provided for. As for the remaining chapters, the Committee looks for the application of tight administrative control so that deficits can be reduced to a minimum. Moreover, it is of the view that savings in excess of \$32,000 are likely under chapter IV (Common staff costs).

Section 21: United Nations Industrial Development Organization

29. The expected under-expenditure of \$176,700 for UNIDO is almost twice the figure indicated by the Secretary-General to the Advisory Committee in his mid-year review of the 1969 budget.

30. The Advisory Committee notes that the main reason for the very considerable under-expenditure for chapter III is UNIDO's continuing difficulties and delays in filling vacancies. The Committee has been informed that while thirty-eight of the Organization's 270 established posts were unencumbered on 1 January 1969, only twelve remained vacant at 31 August, and it was expected that by the end of the year the establishment would be virtually complete. However, it would point

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out that on the basis of the figures presented by the Secretary-General a large number of posts are occupied by staff at lower levels than those attached to the posts, while there would appear to be extensive use of short-term appointments to fill vacancies.

31. In connexion with the increase from \$15,000 to \$40,000 in the estimate for overtime and night differential (chapter III (iv)) the Advisory Committee has taken note of the assurance given that overtime payments will be kept to a minimum. As for requirements for individual experts and consultants, which are \$60,000 more than the appropriation, the Committee believes that delays in the execution of studies will result in a carry-over of some expenditures to 1970.

32. Under chapter II the Secretary-General estimates a deficit of \$46,000 owing to the scheduling in 1969 of six meetings of expert groups which were originally scheduled for 1968 or 1970. The Advisory Committee has some doubts that this ambitious programme can be adhered to. Similarly, the Committee has been informed that delays could arise in the publication of monographs on the work of the International Symposium on Industrial Development held at the end of 1967 (chapter XI). The appropriation of \$140,000 for this item may therefore be found to exceed actual needs.

33. Of an additional request of \$118,000 for permanent equipment (chapter VII), \$45,000 is to provide equipment for the UNIDO restaurant-cafeteria. This item was originally included in the budget estimates for 1970; it is necessary to bring the expenditure forward because of the completion earlier than expected of the building that will house this facility; the equivalent amount included in the 1970 estimates will be surrendered.

34. In the light of the preceding comments the Advisory Committee is convinced that expenditure under section 21 can be reduced below the revised estimate of \$9,516,500 proposed by the Secretary-General, without inhibiting the activities nor the effectiveness of the Organization.

Income section 1: Staff assessment income

35. The expected shortfall of \$465,000 in staff assessment income is due mainly to vacancies in the establishment. Of this amount \$108,000 relates to UNCTAD (section 20), \$150,000 to UNIDO (section 21) and the balance of \$207,000 to a number of factors, principally under section 3 (Salaries and wages).

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Income section 4: Revenue-producing activities

36. Expected income under this section is \$522,000 less than the approved estimate, in large measure owing to a decrease of \$585,000 in total net income from the sale of United Nations stamps. The Advisory Committee has been informed that this decrease reflects a world-wide decline in the philatelic market which became apparent toward the latter part of 1968 and which has continued in 1969.

Summary of recommendations

37. In the foregoing observations the Advisory Committee has indicated where reductions could be made in the Secretary-General's revised expenditure estimates for 1969. The Committee came to the conclusion that the total estimate of \$157,257,300 could be reduced by \$340,000 to \$156,917,300, representing an increase of \$2,002,050 over the appropriation voted in General Assembly resolution 2482 A (XXIII).

38. In recommending this reduction of \$340,000, the Advisory Committee suggests that \$30,000 be applied to section 11, \$100,000 to section 20, and \$85,000 to section 21. The remainder of the reduction, amounting to \$125,000 should be applied at the discretion of the Secretary-General over the other expenditure sections, taking into account in particular the Committee's observations regarding sections 3 and 4.

39. On the above basis, the assessments to be levied on Member States in 1970 in respect of expenditures in 1969 would amount to \$2,720,340 as against the total of \$3,060,340 indicated in paragraph 4 above.
