



Twenty-first session
Agenda item 74

BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1967

Revised estimates resulting from decisions of the Economic and Social Council at its fortieth and forty-first sessions

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

ADDENDUM

1. In its ninth report to the General Assembly at its twenty-first session (A/6457), the Advisory Committee on Administrative and Budgetary Questions submitted its observations and recommendations on the Secretary-General's proposals (A/C.5/1056 and Corr.1) for revisions to the initial budget estimates for 1967 as a consequence of decisions taken by the Economic and Social Council at its fortieth and forty-first sessions, held in New York from 25 February to 10 March 1966, and in Geneva from 5 July to 5 August 1966, respectively.
2. In resolution 1117 (XLI), the Economic and Social Council took note of the annual report of the Economic Commission for Asia and the Far East (ECAFE)^{1/} for the period 30 March 1965 to 4 April 1966 and endorsed the programme of work and priorities called for under ECAFE resolution 68 (XXII) of 31 March 1966, by which the Commission decided to make the Asian Conference on Industrialization a permanent organ of ECAFE, to establish an Asian Industrial Development Council (AIDC) as the operational counterpart of the Conference, mainly to implement the recommendations of the latter organ, to provide for an advisory group of experts reporting to the Council and in addition to designate the ECAFE secretariat as the

^{1/} Official Records of the Economic and Social Council, Forty-first Session, Supplement No. 2 (E/4180/Rev.1).

secretariat of those organs. The Advisory Committee was of the opinion that certain questions of co-ordination required further clarification in the light of the forthcoming establishment of the United Nations Industrial Development Organization (UNIDO).^{2/}

3. At its meetings held in Manila from 6 to 20 December 1965, the ECAFE Asian Conference on Industrialization called for a crash programme of industrialization and for the establishment of institutional arrangements for the implementation of its recommendations. The Advisory Committee acknowledges the need to widen activities in this important field of industrial development in the region covered by ECAFE. It also understands that under the terms of the rules of procedure of ECAFE the Commission may establish such subsidiary bodies as it feels necessary to discharge the functions and responsibilities called for by its membership. The Committee feels, however, that a less hasty approach to certain of the organizational arrangements decided upon by the Commission would have been preferable, bearing in mind the establishment in 1966 of UNIDO as an autonomous body within the United Nations for the purpose of co-ordinating over-all activities in the field of industrial development.

4. It would appear to the Advisory Committee that the deliberations and decisions to be taken by the Industrial Development Board early in 1967, will have a bearing on the co-ordination and implementation of regional programmes in the field of industrial development, not only for ECAFE but also for all the other regional economic commissions, and it would therefore seem prudent to exercise restraint in the expansion of such programmes at this time. The Committee trusts, therefore, that the Board and ECAFE will give early consideration to these matters, thereby giving assurance to the Economic and Social Council and the General Assembly that endeavours in this field, to which Member States attach great importance, will proceed in accordance with their directives.

5. The Secretary-General's revised estimates of \$276,700 for ECAFE for 1967 call for the addition of twenty-two new posts (thirteen professional and nine general service) and related costs for these new subsidiary organs. In considering this

^{2/} The Advisory Committee's observations and recommendations on UNIDO are contained in document A/6493.

request for additional posts the Advisory Committee has to bear in mind the decision of the Fifth Committee taken at its 1088th meeting, on 8 November 1965, whereby that Committee, in the light of the number of new established posts requested under section 3 of the budget estimates for 1966, considered that it was unlikely that qualified candidates could be recruited for all of these posts in 1966 and that a more orderly recruitment spread over the years 1966 and 1967 would be in the best interests of the Organization. It was the view of the Fifth Committee that such a procedure should make it unnecessary for the Secretary-General to provide for additional established posts in section 3 of his budget estimates for 1967, and the Secretary-General was accordingly requested to base those estimates on the staffing levels approved for 1966.

6. In the opinion of the Advisory Committee a broadening or acceleration of work programmes does not necessarily call for an automatic increase in personnel. It is essential first to review the existing staff resources and determine to what extent any expanded needs can be met by redeployment of those resources and also by filling the vacancies in the present establishment. In this connexion the Committee is informed that some posts in the ECAFE manning table will remain unfilled at the end of 1966. Experience has shown that recruitment of qualified staff in highly technical and specialized fields is of necessity a slow process. This is reflected further by the application of a turnover factor of 50 per cent for additional professional posts and 20 per cent to new general service posts in the estimates under review.

7. The Advisory Committee, being aware on the one hand that the Economic and Social Council has taken its decision on the ECAFE proposals and on the other, having applied the above considerations to the Secretary-General's proposals for additional staff resources for ECAFE for 1967, recommends that a total of fifteen new posts (nine professional and six general service) as compared with the twenty-two requested be approved for ECAFE. This recommendation would result in a reduction of \$37,000 in the estimates for chapter I of section 3 and a consequential reduction of \$18,000 in section 4.

8. Over and above the proposed increase in the number of established posts, additional provision is requested for consultants (\$48,000), travel of staff on official business (\$20,000), permanent equipment (\$14,000), rental and maintenance

of premises (\$18,000), and general expenses (\$5,000). Besides a suggested reduction of \$18,000 in additional consultancy requirements, the reduced staff resources as recommended by the Advisory Committee in the preceding paragraph would have as a concomitant effect a reduction of most of the additional budgetary requests under the other four headings, and the Committee therefore recommends that a further reduction of \$12,000 be applied to the request of \$52,500 for these items.

9. Recapitulation of reductions recommended:

	<u>A/C.5/1056</u>	<u>Advisory Committee's recommendation</u>	<u>Reduction recommended</u>
	\$	\$	\$
Section 3. Salaries and wages:			
Chapter I	113,900	75,900	38,000
Chapter III	48,000	30,000	18,000
Section 4. Common staff costs . .	57,800	40,800	17,000
Section 5. Travel of staff	20,000	15,000	5,000
Section 8. Permanent equipment . .	14,000	11,000	3,000
Section 9. Maintenance, operation and rental of premises	18,000	14,000	4,000
Section 10. General expenses . . .	5,000	5,000	-
Totals	<u>276,700</u>	<u>191,700</u>	<u>85,000</u>

10. Should the General Assembly concur in the course of action recommended by the Advisory Committee, the amount of the revised estimates for ECAFE for 1967, as a consequence of ECOSOC resolution 1117 (XLI) and ECAFE resolution 68 (XXII), would be reduced from \$276,700 to \$191,700, and the estimate of \$22,000 for staff assessment under Income section 1 would be reduced by \$7,200 to \$14,800.