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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1969

Revised estimates

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

1. The Advisory Committee on Administrative and Budgetary Questions has considered document A/C.5/1214 in which the Secretary-General submits revised estimates in the amount of \$2,158,300 gross (\$1,410,500 net) to cover additional requirements in 1969 under a number of budget sections. The Secretary-General indicates that this additional provision relates to requirements which have become evident since the approval of the budget estimates in first reading, and that it excludes the additional amounts approved before 14 December 1968 by way of financial implications of resolutions already adopted by the General Assembly at its current session, and other amounts approved by the Fifth Committee.
2. The Advisory Committee notes that the additional requirements listed in the report by the Secretary-General exclude (a) the financial implications of proposals pending before the Main Committees, including the Fifth Committee, as of 14 December 1968, or submitted thereafter, and (b) provisions recommended by the Fifth Committee in reports to the General Assembly, under rule 154 of the rules of procedure, for the implementation of resolutions recommended by other Main Committees, but not adopted by the General Assembly as of 14 December 1968.
3. The Advisory Committee welcomes the action taken by the Secretary-General in submitting his report on the revised estimates for 1969. This submission is in keeping with the recommendation made by the Ad Hoc Committee of Experts to Examine

the Finances of the United Nations and the Specialized Agencies in its second report to the General Assembly^{1/} that:

"The heads of the organizations should calculate the budget estimates and control obligations in such a way as to ensure that appropriations are not exceeded."

The Advisory Committee recommends that, in future, such revised estimates should be submitted, whenever possible, earlier in the session, as and when the need for additional appropriations becomes evident to the Secretary-General, so as to facilitate their consideration by the Advisory Committee and the General Assembly.

4. The additional requirements covered by the report on revised estimates amount to \$2,158,300. Of this total, \$1,225,400 relates to anticipated changes in post classifications for staff in the professional and higher categories, and in the salary scales of general service and other staff. These changes can be implemented by the Secretary-General under the authority vested in him by the relevant decisions of the General Assembly. While taking note of the estimate of these additional requirements under Sections 3, 4, 12, 17 and 21, the Advisory Committee is confident that the Secretary-General will be guided by the recommendation in paragraph 40 of the second report of the Ad Hoc Committee of Experts^{2/} that

"Unavoidable increases in expenditure in certain sectors should, as far as possible, be financed in the first instance by savings in other sectors. This applies in particular to increases due to rises in prices (including in this term salaries and wages) which should so far as possible be absorbed by reassessment of priorities, redeployment of resources, and, where necessary, by adjustments within the budget."

5. As regards the balance of \$932,900 requested by the Secretary-General under various budget sections, the Advisory Committee would submit the following recommendations.

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

6. In paragraph 86 of its main report on the budget estimates for 1969,^{3/} the Advisory Committee noted that the estimate of \$157,500 for the Board of Auditors

1/ Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343, para. 39.

2/ Ibid., para. 40.

3/ Ibid., Twenty-third Session, Supplement No. 7 (A/7207), para. 86.

was subject to revision in the light of the determination by the Board itself of its precise requirements for 1969. The Board now estimates its requirements at \$267,600, an increase of \$110,100 over the initial estimate. This total includes \$50,000 for administrative and management audits, and \$32,000 for a special management audit of electronic data processing facilities and operations of the United Nations.

7. The Advisory Committee is concerned at the steady rise in the cost of the external audit operations of the United Nations. The estimate of \$267,600 proposed for 1969 is more than three times larger than the amount expended on external audit in 1964 (\$87,499). Bearing in mind the establishment of the Joint Inspection Unit and the proposed study on staffing, utilization and deployment, the Committee would urge the Board of Auditors to exercise caution in its administrative and management audit programme, so that duplication of effort can be avoided. As regards the proposed audit of electronic data processing facilities and operations, the Advisory Committee believes that such special audits should be undertaken after consultations between itself and the Board. In view of the developments which are taking place in interagency co-operation in the use of computers, described by the Advisory Committee in its twenty-sixth report to the General Assembly at its current session,^{4/} the Committee is of the opinion that it would be premature to undertake the proposed special audit in 1969, and accordingly recommends a reduction of \$32,000 under Section 1.

Section 2. Special meetings and conferences

8. The Advisory Committee notes that the revised estimates resulting from decisions taken by the United Nations Conference on the Law of Treaties at its first session, extending the duration of the second session of the Conference from four weeks to six weeks, and requiring a higher level of conference activity and servicing, amount to \$393,300, representing an increase of \$154,700 over the figure of \$238,600 included in the initial estimates for 1969.

9. In its main report on the budget estimates for 1969,^{5/} the Advisory Committee, after indicating that it understood that the estimate of \$238,600 had been prepared prior to the adoption by the Conference, at its first session, of certain decisions which might affect the level of expenditure in 1969, recalled that in

^{4/} A/7380, paras. 54-68.

^{5/} Official Records of the General Assembly, Twenty-third Session, Supplement No. 7 (A/7207), para. 99.

paragraphs 148-152 of its report on the budget estimates for 1968,^{6/} it had drawn attention to the adverse financial consequences of decisions on organizational questions being entrusted wholly to subordinate bodies. The Advisory Committee notes in this connexion that at the time the General Assembly adopted resolution 2166 (XXI), whereby it decided to convene the Conference, it had before it a report^{7/} of the Fifth Committee indicating that the financial implications for 1969 would amount to \$201,600, i.e. about half the amount now estimated for the second session of the Conference.

10. Having considered the revised estimates for the Conference, the Advisory Committee recommends that they be reduced by \$20,000.

11. The Advisory Committee notes that, as a result of the decision of the Economic Commission for Africa to hold its ninth session at its headquarters in Addis Ababa rather than in Brazzaville, there would be a reduction of \$46,500 in the estimated cost of staff travel and subsistence. At the same time, the Secretary-General proposes that the estimates for general expenses for the session be increased by \$14,000 to provide funds for the hire of local transportation for high-level dignitaries who are expected to attend. In the Advisory Committee's opinion, the provision of local transportation for this purpose would be contrary to established United Nations policy and practice all over the world. Accordingly, the Committee recommends that this provision of \$14,000 be deleted.

12. The total reduction recommended under Section 2 thus amounts to \$34,000.

Section 3. Salaries and wages

13. In paragraph 3.12 of his report, the Secretary-General indicates that an additional credit of \$78,300 would be required under chapter III to provide for three professional and four general service staff for ten months in 1969 in the Administrative Management Service to assist with the survey of staff utilization and deployment recommended by the Advisory Committee in paragraph 50 of its main report on the budget estimates for 1969.^{8/} Having examined this request, the Advisory Committee felt that it should be possible for the

6/ Ibid., Twenty-second Session, Supplement No. 7 (A/6707).

7/ A/6543.

8/ Official Records of the General Assembly, Twenty-third Session, Supplement No. 7 (A/7207).

Secretary-General to provide some of the general service assistance from within existing resources. Accordingly, it recommends a reduction of \$15,000 under this item.

14. As regards the proposal for the establishment of a unit of two professional and two general service staff relating to the International Convention on the Elimination of All Forms of Racial Discrimination at an estimated cost of \$27,000 under chapter III in 1969, the Advisory Committee notes that the kind and amount of work to be undertaken by this unit still remain to be determined. In the circumstances, it recommends a reduction of \$13,000 in the amount requested by the Secretary-General.

15. In paragraph 3.15 of his report, the Secretary-General estimates that consultant requirements in the amount of \$46,000 for the Department of Economic and Social Affairs would arise for the implementation of decisions taken by the Trade and Development Board at its seventh session. In its thirty-sixth report to the General Assembly at its current session,^{9/} the Advisory Committee expressed the opinion that some of the work could be carried out by staff already available within the Secretariat, and, accordingly, recommended a reduction of \$16,000 in the estimate of \$46,000 requested by the Secretary-General.

16. The total reduction recommended by the Advisory Committee under Section 3 thus amounts to \$44,000.

Section 4. Common staff costs

17. The reductions under Section 3 recommended by the Advisory Committee in paragraphs 13 and 14 above would entail a consequential reduction of some \$7,000 in common staff costs.

Section 18. Office of the United Nations High Commissioner for Refugees

18. In paragraphs 18.4 to 18.13 of his report, the Secretary-General describes the additional requirements of the Office of the United Nations High Commissioner for Refugees in a total amount of \$133,300, of which \$128,800 relate to the planned opening of a new branch office in West Africa, the exact location of which

^{9/} A/7413.

still remains to be determined; and to increased requirements for activities in Botswana, Burundi and the Democratic Republic of the Congo. The balance of \$4,500 relates to the Secretary-General's decision to reclassify the post of the United Nations High Commissioner for Refugees at the Under-Secretary-General level.

19. Bearing in mind the somewhat tentative nature of most of the additional requirements, the Advisory Committee recommends a reduction of \$40,000 in the additional amount requested by the Secretary-General under Section 18.

Section 20. United Nations Conference on Trade and Development

20. Under Section 20, the Secretary-General has requested an additional provision of \$54,000 for the implementation of Trade and Development Board resolution 46 (VII) on the creation by the Committee of Shipping of a Working Group on International Shipping Legislation. The Advisory Committee's observations and recommendation on this request are contained in paragraphs 6 to 8 of its thirty-sixth report to the General Assembly at its current session.^{10/} Pursuant to that recommendation, the additional amount requested by the Secretary-General under Section 20 should be reduced by \$19,000 from \$54,000 to \$35,000.

Section 21. United Nations Industrial Development Organization

21. The Secretary-General estimates that additional requirements under Section 21 amount to \$436,000. Of this total, \$241,000 relate to anticipated increases in local salary rates and post-adjustment at Vienna and for the UNIDO Office in New York, \$90,000 to extra requirements of the third session of the Industrial Development Board, and \$105,000 in connexion with the occupancy of new buildings.

22. As regards the requirements of the Board, the Advisory Committee notes that, largely because of an anticipated 60 per cent increase in the volume of documentation, the cost of a three-week session of the Board is now estimated at \$125,000, as against \$70,000 already provided for in the budget estimates. Further expenditure in an estimated amount of \$35,000 is expected to arise in connexion with a two-week session of a working group on programme and co-ordination, which will precede the session of the Board. The Advisory Committee notes in this

10/ Ibid.

connexion that the Board's session in 1968 lasted four weeks and cost approximately \$140,000 as against an appropriation of \$50,000

23. With regard to accommodation, the Advisory Committee recalled that in his initial budget estimates for 1969,^{11/} the Secretary-General indicated that the temporary headquarters of UNIDO in Vienna included the Felderhaus, the Hofburg facilities and two prefabricated buildings, and that a third prefabricated building would be constructed by the Austrian Government for UNIDO in 1969.

24. The Advisory Committee notes from paragraph 21.14 of document A/C.5/1214 that "the Austrian Government has since agreed to construct for UNIDO in 1969 a further building, with capacity for up to 175 staff members, thus providing it with the total amount of space it will require until it moves into its permanent headquarters, which the [Austrian] Government expects to have completed in some four years' time". The attendant additional costs under chapters VIII and IX are estimated by the Secretary-General at \$80,000, making a total of \$580,000 under these two chapters.^{12/} Furthermore, the Secretary-General estimates that \$25,000 would be required for additional staff to service the building in question.

25. The Advisory Committee would observe that the initial estimates for 1969 make no reference to any request to the Austrian Government to construct still another building in 1969, which would bring the complex of the UNIDO premises to a total of six buildings. Moreover, bearing in mind that the proposed establishment of UNIDO in 1969, including the New York office (disregarding the many vacancies on the manning table) totals 270 posts, the Advisory Committee finds it difficult to see why there is need in 1969 for the extra building (which can accommodate 175 staff), unless it is proposed to lease or surrender some of the previous facilities.

26. The Advisory Committee accordingly recommends that the Planning and Administrative Management Unit in Vienna prepare a report on space utilization by UNIDO and the attendant maintenance, operating, custodial and general expenses.

27. In the light of the foregoing, the Advisory Committee recommends that the additional credits requested for UNIDO in respect of the session of the Board and the occupancy of new buildings should be reduced by \$96,000.

^{11/} Official Records of the General Assembly, Twenty-third Session, Supplement No. 5 (A/7205), paras. 21.52 to 21.56.

^{12/} Ibid., Supplement No. 7 (A/7207), para. 331.

Income Section 4

28. The Advisory Committee welcomes the agreement reached between the Secretary-General and the Government of Switzerland for the establishment at Geneva of United Nations postal activities of the same type as are now conducted at Headquarters, New York. The Committee notes that net revenue in 1969 is estimated by the Secretary-General at \$650,000. The Advisory Committee would like to express its appreciation to the Government of Switzerland and to the Secretary-General in this regard.

Recapitulation

29. The reductions recommended by the Advisory Committee in respect of the revised estimates for 1969 total \$272,000, distributed as follows:

SUMMARY

	1	2	3	4	5	6
	<u>First reading decision</u>	<u>Subsequent decision</u>	<u>Additional requests by Secretary-General</u>	<u>Reductions recommended by Advisory Committee</u>	<u>Additional appropriations recommended by Advisory Committee</u> (3 less 4)	<u>Total</u> (columns 1, 2, 5)
	\$	\$	\$	\$	\$	\$
<u>Expenditure Section</u>						
1	1,218,050	-	124,400	32,000	92,400	1,310,450
2	1,302,000	-	122,200	34,000	88,200	1,390,200
3	66,667,000	81,400	975,900	44,000	931,900	67,680,300
4	16,013,700	-	90,300	7,000	83,300	16,097,000
5	2,151,600	-	28,900	-	28,900	2,180,500
6	140,000	-	-	-	-	140,000
7	4,372,400	979,700	-	-	-	5,352,100
8	735,200	3,500	30,500	-	30,500	769,200
9	4,260,000	456,000	34,000	-	34,000	4,750,000
10	5,950,800	78,600	-	-	-	6,029,400
11	1,667,000	-	11,000	-	11,000	1,678,000
12	9,013,200	61,000	1,300	-	1,300	9,075,500
13	-	5,113,600	-	-	-	5,113,600
14	-	1,500,000	-	-	-	1,500,000
15	-	220,000	-	-	-	220,000
16	-	75,000	-	-	-	75,000
17	6,321,400	129,800	116,500	-	116,500	6,567,700
18	3,600,500	135,400	133,300	40,000	93,300	3,829,200
19	1,375,000	21,000	-	-	-	1,396,000
20	8,291,200	-	54,000	19,000	35,000	8,326,200
21	9,026,000	327,200	436,000	96,000	340,000	9,693,200
Total	<u>142,105,050</u>	<u>9,182,200</u>	<u>2,158,300</u>	<u>272,000</u>	<u>1,886,300</u>	<u>153,173,550</u>
<u>Income Sections</u>						
1	17,737,800	-	184,200	-	184,200	17,922,000
2	2,704,790	-	-	-	-	2,704,790
3	3,281,650	-	16,600	-	16,600	3,298,250
4	2,722,800	(37,600)	547,000	-	547,000	3,232,200
Total	<u>26,447,040</u>	<u>(37,600)</u>	<u>747,800</u>	<u>-</u>	<u>747,800</u>	<u>27,157,240</u>