

UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
GENERAL

A/34/7/Add.27  
17 December 1979

ORIGINAL: ENGLISH

Thirty-fourth session  
Agenda items 57 and 98

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1980-1981

Proposals of the Secretary-General for the draft programme budget  
of UNIDO for 1980-1981 in response to the request in paragraph 3  
of draft resolution A/C.5/34/L.42

Twenty-eighth report of the Advisory Committee on  
Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the proposals of the Secretary-General (A/C.5/34/88) for the draft programme budget of the United Nations Industrial Development Organization (UNIDO) for 1980-1981 in response to the request in paragraph 3 of draft resolution A/C.5/34/L.42. In that paragraph the Secretary-General is requested to submit, during the thirty-fourth session of the General Assembly, proposals for the draft programme budget for 1980-1981 that would enable UNIDO to execute the programmes on the consultation system, the Industrial and Technological Information Bank and technical assistance, approved by the Industrial Development Board and endorsed by the Economic and Social Council.

2. The additional resources requested by the Secretary-General amount to \$803,500 net of staff assessment, under section 17. They consist of \$476,800 for the system of consultations (paras. 3-15) and \$326,700 for the Industrial and Technological Information Bank (INTIB) (paras. 16-21). The Secretary-General requests no additional appropriations for the technical assistance programme (paras. 22-24).

System of consultations

3. The Advisory Committee recalls that the Secretary-General, in his proposed programme budget for 1980-1981, did not request additional resources for the system of consultations pending completion of the review of the recommendations

of the Industrial Development Board by the Economic and Social Council. 1/ The Economic and Social Council, in operative paragraph 4 of resolution 1979/54, endorsed the decision taken by the Industrial Development Board at its thirteenth session on the system of consultations and its programme for the biennium 1980-1981 as contained in paragraph 84 of the report of the Board. 2/ Details of that decision are given in paragraph 3 of document A/C.5/34/88.

4. The estimate of \$476,800 would cover:

(a) The establishment of five additional posts (two P-5, one P-4, two General Service) immediately, and one P-4 post for 1981 3/ (para. 10);	\$296,800
(b) Ten additional work-months of consultants' services (para. 11);	50,000
(c) Two <u>ad hoc</u> expert group meetings (para. 12);	30,000
(d) Travel and subsistence of 50 representatives from least developed countries to participate in the consultation meetings (subject to the decision by the General Assembly to have such expenses charged against the regular budget) (para. 13).	<u>100,000</u>
TOTAL	\$476,800 4/

5. Upon inquiry the Advisory Committee was informed that the estimate of \$296,800 for staffing proposals referred to in paragraph 4 (a) above was calculated on the basis of applying the turnover deduction factor used for new posts. The representatives of the Secretary-General also indicated that common staff costs had been calculated using the percentage recommended by the Advisory Committee

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1/ Official Records of the General Assembly, Thirty-fourth Session, Supplement No. 6 (A/34/6), para. 17.6, and *ibid.*, Supplement No. 7 (A/34/7), para. 17.4.

2/ *Ibid.*, Supplement No. 16 (A/34/16).

3/ The staffing table for this activity in the proposed programme budget for 1980-1981 consists of 19 posts (one D-1, two P-5, four P-4, four P-3, one P-2 and seven General Service) (para. 5).

4/ The total provision made for the system of consultations in the initial proposed programme budget for 1980-1981 is \$3,422,100 (para. 5).

in its first report on the proposed programme budget for the biennium 1980-1981. 5/ The Advisory Committee recommends acceptance of the Secretary-General's staffing proposals and the related estimate.

6. The Secretary-General requests a total of \$80,000 for consultants (\$50,000, para. 11) and ad hoc expert group meetings (\$30,000, para. 12). In this connexion the Committee notes that four of the eight consultation meetings proposed for 1980-1981 would deal with topics which have been discussed before (para. 3 (i)). Moreover, the Committee believes that it is within the reach of the Secretary-General to maximize the contribution by UNIDO's staff with respect to the industrial sectors and common topics to be covered by the system of consultations referred to in paragraph 10 of his report. Bearing this in mind, and considering that the provisions already made for the system of consultations in the initial proposed programme budget for 1980-1981 total \$3,422,100, the Advisory Committee is not convinced that the request for an additional amount of \$80,000 has been fully justified and accordingly the Committee does not recommend approval of the Secretary-General's request.

7. The Secretary-General's estimate also includes \$100,000 for travel and subsistence of 50 representatives of the least developed countries. In this connexion, the Advisory Committee notes that the relevant decision taken by the Industrial Development Board, 6/ as endorsed by the Economic and Social Council in its resolution 1979/54, reads as follows:

"In order to ensure a larger participation of least developed countries in future consultation meetings, the participation of 50 representatives from least developed countries in the consultations to be held in 1980-1981 should be financed from sources to be determined by the General Assembly; ..."

In paragraph 13 of document A/C.5/34/88, the Secretary-General recalls that under relevant resolutions of the General Assembly, including resolution 1798 (XVII) of 11 December 1962, neither travel nor subsistence expenses may be paid in respect of members of subsidiary organs who serve as representatives of Governments, unless the resolution establishing the organ or subsidiary organ provides otherwise. He goes on to say that "Should the General Assembly decide, however, that the travel expenses of 50 representatives of the least developed countries could be charged against the regular budget, it is estimated that an additional sum of \$100,000 will be required for the biennium 1980-1981."

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5/ Official Records of the General Assembly, Supplement No. 7 (A/34/7), chap. I, para. 20, and para. 17.17.

6/ Ibid., Supplement No. 16 (A/34/16), para. 84.

8. The Advisory Committee questioned the interpretation given by the Secretary-General to the Board's decision quoted in the preceding paragraph, namely that funds would necessarily be required for that purpose under the regular budget. In response to inquiries, the representatives of the Secretary-General agreed with the Advisory Committee that the General Assembly would have first to determine whether the source of financing should be the regular budget or other sources. In the circumstances, the Committee is unable to recommend that such expenses be financed from the regular budget of the Organization.

#### Industrial and Technological Information Bank

9. The Committee recalls that no resources for the Industrial and Technological Information Bank (INTIB) were included by the Secretary-General in his proposed programme budget for 1980/1981, <sup>7/</sup> pending the review by the Economic and Social Council and the General Assembly of the related recommendation of the Industrial Development Board at its thirteenth session. In operative paragraph 5 of resolution 1979/54, the Economic and Social Council endorsed the recommendation in question, including inter alia the establishment of INTIB as an ongoing activity of UNIDO. For that purpose the Secretary-General requests a total of \$326,700. In this connexion, the Committee notes the Secretary-General's assumption that INTIB would develop on the basis of a phased growth, bearing in mind the policy of over-all financial prudence (para. 17).

10. The Secretary-General's estimate of \$326,700 for INTIB would provide for:

(a) The establishment of five posts (two P-4 and three General Service including one at the Principal level) (para. 18);	\$ 226,700 <sup>8/</sup>
(b) Consultants (para. 19)	\$ <u>100,000</u>
<u>Total</u>	\$ 326,700

The Advisory Committee recommends acceptance of the Secretary-General's staffing proposals for INTIB and the related estimate. As for the request for consultancy services, the Committee is of the view that, given the expertise already available in the United Nations Secretariat, it should be possible to undertake some of the work outlined in paragraph 19 of document A/C.5/34/88 using existing staff resources. Therefore the Committee recommends that the estimate for consultants be reduced from \$100,000 to \$75,000, i.e. by \$25,000.

#### Recapitulation

11. In paragraphs 6, 8 and 10 above, the Advisory Committee has recommended reductions totalling \$205,000. In paragraphs 7 and 8 the Committee has drawn

<sup>7/</sup> Ibid., Supplement No. 6 (A/34/6), para. 17.7, and ibid., Supplement No. 7 (A/34/7), para. 17.4.

<sup>8/</sup> The representatives of the Secretary-General informed the Advisory Committee that the estimate was calculated on the basis referred to in para. 5 above.

attention to the need for a policy decision by the General Assembly as regards the question of financing the participation of representatives from least developed countries in the consultation meetings.

12. Accordingly, the Committee recommends that, should the General Assembly adopt draft resolution A/C.5/34/L.42, an additional appropriation in the amount of \$598,500 would be required under section 17. An appropriation of \$114,100 would also be required under section 31 (Staff assessment) to be offset by an increase in the same amount in the estimates of income under section 1.

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