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PROGRAMME BUDGET FOR THE BIENNIUM 1984-1985

JOINT INSPECTION UNIT

UNITED NATIONS COMMON SYSTEM

Staff costs and some aspects of utilization of human and
financial resources in the United Nations Secretariat

Addendum

Comments of the Secretary-General

The Secretary-General has the honour to submit to the members of the General Assembly his comments on the report of the Joint Inspection Unit entitled "Staff costs and some aspects of utilization of human and financial resources in the United Nations Secretariat" (A/39/522 and CorF.1).

Comments of the Secretary-General

1. The report of the Joint Inspection Unit entitled "Staff costs and some aspects of utilization of human and financial resources in the United Nations Secretariat" (A/39/522 and Corr.1) deals with the remuneration of staff in the Professional and higher categories (paras. 11 to 62 and recommendations 1 to 3), the growth in the number of United Nations staff (paras. 65 to 71 and recommendations 4 and 5), and the question of priority-setting and the identification of obsolete, marginal or ineffective activities (paras. 72 to 88 and recommendation 6).

I. REMUNERATION OF STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES
(PARAGRAPHS 11 TO 62 AND RECOMMENDATIONS 1 TO 3)

2. The issues dealt with by the Inspectors under this heading affect all the organizations of the common system. This has been reviewed by the Administrative Committee on Co-ordination and its observations have been transmitted to the General Assembly in document A/39/522/Add.1.

II. GROWTH IN THE NUMBER OF UNITED NATIONS STAFF (PARAGRAPHS 65
TO 71 AND RECOMMENDATIONS 4 AND 5)

3. The Inspectors recommend that within the next two budget periods there should, in principle, be neither establishment of new posts nor transfer of staff from extrabudgetary to "budgetary financing" and that the General Assembly should give careful consideration to possibilities of redeployment of existing staff to the benefit of "operational activities".

4. In the Inspectors' view, the Secretariat suffers from a lack of efficiency and from excessive bureaucratization, and it is stated that this can be demonstrated by a review of the share of resources included in the budget in respect of "non-substantive" activities. In this connection, the Inspectors provide data for the bienniums 1974-1975 and 1982-1983 on total appropriations and on the share of such appropriations relating to "non-substantive" activities. They indicate that this share has grown faster than total appropriations and that bureaucracy is therefore expanding. The Inspectors express the view that, in particular, the share of the appropriations relating to section 28 of the budget, Administration and management, is excessively high. At the same time they state that for the concept of "maximum restraint" to be really workable, the role of the Department of Administration and Management should be strengthened and it should be more involved in the process of determining staff requirements and priority-setting. The Inspectors call for special attention to be paid to "non-substantive services" through a noticeable redistribution of resources in favour of "operational activities".

5. As indicated by the Secretary-General in his address to the Fifth Committee on 26 October 1984 (see A/C.5/39/SR.17), the assertions regarding the so-called persisting inefficiency of the Secretariat are without basis. The overall performance of the Secretariat cannot be assessed in terms of the share of resources allocated to "non-substantive activities", nor could such resources be redistributed to "operational activities" in as much as the latter are basically

not funded from the regular programme budget of the Organization, with the exception of the regular programme of technical co-operation. The activities included in the programme budget under the headings of policy-making organs, executive direction and management, programmes of activity or common services are interrelated and complementary. They do not exist and could not exist in isolation from one another. Any expansion in substantive programmes does not take place in a vacuum but affects the related services that need to be provided in support of the programmes. The activities undertaken or services performed by the Organization cannot be neatly and definitively divided into such categories as "substantive" and "non-substantive", as the Inspectors have attempted to do, and cannot therefore be analysed as such. For example, it is questionable whether the responsibilities of the Executive Secretaries of the regional commissions, the Executive Directors of the United Nations Industrial Development Organization and the United Nations Environment Programme and the Secretary-General of the United Nations Conference on Trade and Development can be classified exclusively as "non-substantive", as is suggested in the report.

6. Even if such a classification as the one attempted by the Inspectors could be made, it is doubtful that a comparison of appropriations for the bienniums, 1974-1975 and 1982-1983 without an analysis of developments and intervening factors could lead to meaningful conclusions.

7. This point could be best illustrated, for example, by a review of the appropriations in respect of the Joint Inspection Unit (JIU) and the United Nations Centre on Transnational Corporations. The appropriations in respect of JIU went from \$514,000 in 1974-1975 to \$4,183,800 in 1982-1983 -- an increase of 714 per cent. Those relating to the Centre on Transnational Corporations went from \$400,000 to \$9,000,300 -- an increase of 2,150 per cent. The erroneous conclusion could be drawn from a review of those amounts that such growth was excessive, considering that the total appropriations increased only by 143 per cent. However, a more careful analysis of those changes shows that in the biennium 1974-1975 provision in respect of JIU was made only for the United Nations share and not its full costs, as is the case now, and that the provisions in respect of the Centre on Transnational Corporations related only to 1975 since the Centre had been created in late 1974 and the range of issues which it would be called upon to deal with had not yet been determined. It is therefore necessary to exercise caution and restraint in drawing conclusions regarding increases in resources for a particular programme by reference to the increase in the total budget appropriations. The Secretary-General is of the view that there should not be a predetermination of the number of posts and of the distribution of resources among activities and services prior to the preparation of the proposed programme budget.

8. This should in no way be interpreted as constituting a policy of laissez-faire regarding the allocation of resources among activities. The Secretary-General has consistently held that the maintenance of an appropriate balance among the diverse activities carried out by the Secretariat must continue to receive careful attention. It should be noted in this regard that the goal of achieving administrative economies so as to maximize the resources devoted to meeting the substantive requirements of Member States is one of the key elements which has guided the formulation of the programme budget for the current biennium. The

Secretary-General would, therefore, favour that the approach utilized in the preparation of the current programme budget, and described in the introduction to that document, be maintained.

III. QUESTION OF PRIORITY-SETTING AND THE IDENTIFICATION OF OBSOLETE, MARGINAL AND INEFFECTIVE ACTIVITIES (PARAGRAPHS 72 TO 87 AND RECOMMENDATIONS 6 AND 7)

9. The Inspectors recommend that more vigorous actions be taken with regard to priority-setting and identifying activities which are obsolete, of marginal usefulness or ineffective, that the exercise be extended to all major programmes and other programmes, and that the level at which priority-setting and elimination efforts are made could be raised to the subprogramme level. The Inspectors also recommend that in the future it would be useful if information presented to governing bodies on anticipated termination of activities were supplemented by data indicating the amount of human and financial resources to be released and that it would be desirable if all programme elements were estimated in terms of resources required.

10. The issue of priority-setting and of the identification of obsolete activities has been the subject of studies by both JIU and the Secretary-General, on the basis of which the Committee for Programme and Co-ordination (CPC) at its twenty-first session recommended a system for setting priorities which was endorsed by the General Assembly at its thirty-sixth session (resolution 36/228 A of 18 December 1981). In that resolution, the Assembly also requested the Secretary-General to submit to it at its thirty-ninth session, through CPC, a report on the operation of the new system for setting priorities which would outline the difficulties encountered, make suggestions for dealing with them and indicate whether further changes must be made in structures and procedures including, *inter alia*, those proposed by JIU and by delegations during the debate on priorities in the Fifth Committee at its thirty-sixth session. A report has been prepared in response to that request (A/C.5/39/1 and Corr.1). On the basis of a review of the experience gained in the application of the new system, the view is expressed that it is too early to draw any clear conclusions. For this reason, no changes are suggested in that report but rather that the operation of the new system should be kept under review. This view is shared by CPC, as indicated in paragraph 327 of its report on the work of its twenty-fourth session. 1/

11. It should be emphasized in this context that the Secretary-General attaches high importance to the establishment of priorities in the programme budget process in line with the clearly expressed desire of Member States. This concern finds full and detailed reflection, for example, in the instructions which the Secretary-General has promulgated for the preparation of submissions for the proposed programme budget for the forthcoming biennium.

Notes

1/ Official Records of the General Assembly, Thirty-ninth Session, Supplement No. 39 (A/38/39).