

REPORT
ON OFFICE ACCOMMODATION PROVIDED FOR EXTRA-BUDGETARY STAFF
IN THE UNITED NATIONS SYSTEM
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ACCOMMODATION AT UNITED NATIONS HEADQUARTERS JIU/REP/74/6 (A/9854)

FOREWORD

The Inspectors wish to record their gratitude to the Executive Heads and members of the secretariats of the organizations in the United Nations system whose assistance was sought in connexion with the study of the office accommodation provided for extra-budgetary staff in the United Nations system. All of the information sought by the Inspectors - and it was not inconsiderable in amount - was furnished as fully and rapidly as possible, despite the fact that frequently the officials furnishing the information were heavily engaged in other essential activities. In this connexion, the Inspectors wish to express their regret for any inconvenience which may have resulted from the fact that, because of the request of the General Assembly for a report on this study at its thirtieth session, it was sometimes necessary for them to seek replies to requests for information on an urgent basis.

I. INTRODUCTION

1. At its 2206th plenary meeting on 18 December 1973, the General Assembly took a decision recommended by the Fifth Committee, which, inter alia, "requests the Joint Inspection Unit to study the question of the utilization of office accommodation within the United Nations system and to submit its recommendations to the General Assembly at its thirtieth session".

2. The Fifth Committee had previously agreed that the recommended study should include a study of the question of extra-budgetary staff employed by, and occupying office accommodation in buildings owned or rented by, the United Nations. Accordingly, in their advance report (JIU/REP/74/6 (A/9854)) of September 1974 on the Utilization of Office Accommodation at United Nations Headquarters, the Inspectors included a chapter (chapter IV) on extra-budgetary staff.

3. When planning the remainder of their report, to cover the question of office accommodation in United Nations organizations situated elsewhere than in New York and in the specialized agencies, it occurred to the Inspectors that it might be convenient from the point of view of Member States if the question of extra-budgetary staff were dealt with in a separate and comprehensive report on a worldwide basis, rather than as chapters included in the various reports on office accommodation in individual organizations, as was done in the case of the report on New York. The Inspectors submitted this idea to the then Chairman of the Advisory Committee on Administrative and Budgetary Questions, who informed them that the Committee saw no objection to it. The present report therefore deals with the question of extra-budgetary staff on a worldwide basis, including those in the regional economic commissions; in order to make it fully comprehensive, chapter IV of JIU/REP/74/6 on extra-budgetary staff at United Nations Headquarters is included as an annex.

4. For purposes of this report the following are the criteria used for determining whether staff should be included or excluded from the category of "extra-budgetary staff":

a) The term "extra-budgetary staff", as applied to personnel employed at United Nations Headquarters, was defined in JIU/REP/74/6 as "personnel employed by the United Nations but paid from sources other than the regular budget, i.e.

UNDP/UNFPA Overhead Fund, special accounts (e.g. UNEF, UNFICYP), trust funds etc.". The same definition applies, mutatis mutandis, to the extra-budgetary staff employed in the various United Nations specialized agencies and other organizations covered in this report. The essential criterion is the source of payment: if this is the regular budget of a United Nations organization, based on assessed contributions from its Member States, the staff concerned are listed as "regular budget staff", wherever they may be employed; staff employed as secretariat staff but paid from any other source are "extra-budgetary".

b) However, since this report is concerned only with extra-budgetary staff who occupy office accommodation in buildings owned or rented by the United Nations or a specialized agency or the International Atomic Energy Agency (IAEA), it does not include in the various tables or texts, project staff, the great majority of which occupy premises provided by governments. Nor are the staff of extra-budgetary programmes (such as UNDP), whether they work at the headquarters of such programmes or in regional or country offices, included in the report, except when they occupy premises owned or rented by the United Nations or a specialized agency or IAEA.

II. THE GENERAL SITUATION

5. Table 1 below lists the organizations of the United Nations system which employed extra-budgetary staff as at the beginning of 1975, and compares the total extra-budgetary with the overall total of (budgetary and extra-budgetary) secretariat staff employed by each of the organizations listed. Details in respect of each of the organizations listed in Table 1 are given in chapter IV.

6. The figures quoted in respect of each agency, organization or unit are, unless otherwise stated, inclusive of vacant posts and temporary staff. Exact accuracy cannot be claimed for them for two main reasons; first, because staff patterns are constantly changing, and secondly, because it is not always easy to distinguish in practice between extra-budgetary and regular budget personnel, especially where (as in UNESCO) the two categories are administered and financed on a fully integrated basis. In particular, figures given in respect of organizations in the field are subject to the reservation that the Inspectors did not have the time to visit any field establishments (e.g. the regional commissions) and were therefore obliged to rely on questionnaires and correspondence for their information. They have, however, done their best to identify extra-budgetary staff as defined in the preceding chapter (see paragraph 4) and they believe that the above Table presents a reasonably accurate picture of the situation as it was at the beginning of 1975.

Table 1

EXTRA-BUDGETARY STAFF IN THE UNITED NATIONS SYSTEM AS AT 1 JANUARY 1975

Organization (The full names of the organizations are given in chapter IV of the Report)	(1) Total establishment	(2) Extra-budgetary staff	(3) (2) as percentage of (1)
A. UNITED NATIONS			
UN Headquarters (New York) ^{a/}	4,870	607	12.5
UN Office in Geneva:			
(1) Fully administered units	1,488 ^{b/}	34	2.3
(2) Semi-autonomous and other units ^{c/}	1,174	275	23.0
UNEP (Nairobi) ^{c/}	314	216	69.0
UNIDO (Vienna) ^{c/}	1,064	303	28.0
Regional Commissions: ECA (Addis Ababa)	618	100	16.0
ECE (Geneva)	247	20	8.0
ECLA (Santiago)	589	74	12.6
ECWA (Beirut)	210	16	7.6
ESCAP (Bangkok)	707	240	34.0
Sub-totals A	11,281	1,885	(16.7)
B. "EXTRA-BUDGETARY ORGANIZATIONS"			
OCCUPYING UN PREMISES ^{d/} UNDP/UNV	44	44	
IN GENEVA: UNICEF	100	100	
UNRWA	3	3	
Sub-totals B	147	147	(100.0)
C. SPECIALIZED AGENCIES ^{e/}:			
FAO	3,730	1,142	30.6
IAEA	1,215	12	1.0
ICAO	616	77	12.5
ILO	1,974	347	17.4
IMCO	168	23	13.7
ITU	620	94	15.0
UNESCO	2,512	520 ^{d/}	20.7
UPU	124	22 ^{e/}	17.7
WHO	4,529	1,120	25.0
WMO	271	57	21.0
Sub-totals C	15,779	3,414	(21.6)
Overall totals A+B+C	27,207 ^{f/}	5,446 ^{f/}	20.0

^{a/} As at 30 June 1974 (see Annex).

^{b/} Including 226 auxiliary staff (engineers, maintenance staff, storekeepers, postal administration, ushers, guides etc.) who were not included in the manning table as at 1 January 1975.

^{c/} Including staff located outside headquarters where not otherwise stated.

^{d/} See, however, paragraphs 80-84.

^{e/} See, however, paragraphs 85-87.

^{f/} Excludes project staff; also excludes staff of extra-budgetary programmes except when such staff occupy premises owned or rented by the United Nations, a specialized agency or IAEA.

III. SUMMARY OF FINDINGS

7. As explained in the Introduction (see paragraphs 1 and 2), this report is concerned with extra-budgetary staff (as defined in paragraph 4) in the context of the utilization of office accommodation "within the United Nations system". It attempts to assess the extent to which extra-budgetary staff occupies such accommodation in buildings whose ownership or rental has been or is being financed from the regular budgets of organizations forming part of the United Nations system, and also to assess the extent to which the cost of that accommodation is covered by contributions from the extra-budgetary funds concerned.

8. In their report (JIU/REP/74/6) of September 1974 on the Utilization of Office Accommodation at United Nations Headquarters in New York, the Inspectors included a section on extra-budgetary staff which is reproduced as an annex to the present report. The remainder of this report deals with the situation as at 1 January 1975 in the United Nations Office in Geneva, the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO), the regional commissions and the specialized agencies and the International Atomic Energy Agency (IAEA). It does not deal with the headquarters offices of UNDP/UNFPA, the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) or the United Nations Children's Fund (UNICEF), which are themselves "extra-budgetary organizations" and which pay for their own office premises, but the offices which those organizations maintain in the Palais des Nations in Geneva are included in part B ("extra-budgetary organizations" occupying United Nations premises). It also excludes the World Intellectual Property Organization (WIPO), which is not an executing agency for any UNDP-financed project and employs only a very small number of staff financed from extra-budgetary sources.

9. The information summarized in chapter II, Table 1, and set out in greater detail in chapter IV, indicates that the total of extra-budgetary staff employed by the United Nations and the specialized agencies and IAEA as at 1 January 1975 was approximately 5,446, representing about 20 per cent of the overall establishment. Individual proportions ranged from 1 per cent (IAEA) to 69 per cent (UNEP).

10. The information further indicates that not less, and probably more, than 54 per cent of the total of extra-budgetary staff considered in this report as at 1 January 1975 was financed by UNDP/UNFPA funds.

11. In attempting to assess the extent to which the cost of office accommodation provided for extra-budgetary staff is met from the extra-budgetary funds involved, the Inspectors first considered those cases in which the accommodation was rented. They identified ten organizations (including United Nations Headquarters) in which extra-budgetary staff, totalling about 850, occupied rented headquarters premises. Six of these organizations (including United Nations Headquarters), stated that the specific rental costs of office space occupied by a total of 542 extra-budgetary staff were fully recovered from the funds involved. One organization reported that full recovery, involving 77 extra-budgetary staff, was due to begin in 1975. In three other cases, contributions were levied from extra-budgetary funds towards the general cost of accommodating extra-budgetary staff, without specific reference to the actual rental costs involved; such arrangements covered a total of 139 extra-budgetary staff occupying rented office space, in addition to a much larger number in non-rented accommodation. The Inspectors were unable to assess the extent to which contributions of this kind covered the actual cost of the accommodation provided, but two of the organizations concerned admitted that the sums recovered fell considerably short of actual expenditure.

12. In four cases, covering a total of 163 extra-budgetary staff occupying rented headquarters offices, the Inspectors were informed that no reimbursement of any kind was made from the funds concerned in respect of the rental and other costs of the space provided.

13. The Inspectors next considered the question of extra-budgetary staff occupying office space for which the organizations concerned do not have to pay rent. Analysis of the information presented in chapter IV indicates that only four organizations (United Nations Headquarters, the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO) and the World Meteorological Organization (WMO)) make any allocations from extra-budgetary funds towards the cost of providing office space for extra-budgetary staff accommodated in non-rented premises. (The International Telecommunication Union (ITU), having

previously made such an allocation, ceased to do so as from 1 January 1975 - see chapter IV, paragraph 79). In all other cases, expenditure on non-rented office space occupied by extra-budgetary staff (i.e. on furniture and equipment, heating, lighting, maintenance and so on) is charged to the regular budget of the organization concerned.

14. The replies from the organizations listed in chapter II, Table 1, to the Inspectors' question regarding the "legal basis" for accommodating extra-budgetary staff in premises owned or rented by them, while differing in detail, reveal a general tendency to regard it as appropriate that the cost of accommodating staff working in and for an organization, and administratively and functionally integrated with it, should be a charge on the organization's regular budget even if the staff in question is financed from extra-budgetary sources. This is widely regarded as a reasonable interpretation of relevant legislation. The latter, however, is not always free from uncertainty or ambiguity, and actual practice also indicates a willingness to accept contributions from extra-budgetary funds towards the cost of non-rented accommodation (and other common services) in certain cases, e.g. when large numbers of extra-budgetary staff are involved; and in certain situations where rented accommodation is occupied by extra-budgetary staff on an exclusive basis, i.e. when it is not shared with regular budget staff, it is regarded as appropriate that the full rental costs should be borne by the extra-budgetary fund concerned.

15. As noted in the JIU report on the Utilization of Office Accommodation at United Nations Headquarters (see Annex), the cost of providing office accommodation and related facilities, whether that accommodation is rented or not, is only one of many elements in the question of the allocation of "support costs" which has been a subject of discussion in the United Nations for many years and has yet to be resolved to the satisfaction of all. The Inspectors believe that this question involves issues which can only be decided at the policy-making level, and that it is therefore not for them to make recommendations. They consider that it is for the General Assembly, and the legislative bodies of the specialized agencies and IAEA, to make the necessary decisions in the light of the relevant facts, some of which the Inspectors have attempted to summarize in this report. In paragraph 177

of the New York report (see Annex), the Inspectors expressed the hope that the Secretary-General of the United Nations would be given clear guidance regarding the facilities and services which he should or should not provide to extra-budgetary staff at the expense of the regular budget. This recommendation applies equally to the Executive Heads of the agencies. At the same time the Inspectors would endorse the recommendation by the Secretary-General, in his comments on their report on New York, that decisions on where to locate extra-budgetary staff "should not be predicated on the source of funds from which the staff are paid, but should continue to be based on overall management considerations", (A/9854/Add.1, of 9 December 1974, paragraph 13).

IV. THE SITUATION IN DETAIL

A. UNITED NATIONS

(1) Headquarters in New York

Total establishment : 4,870^{1/}

Total extra-budgetary staff : 607^{1/} = 12.5 per cent

Premises : the Headquarters building is owned by the United Nations, but additional office space is commercially rented in a number of buildings in the neighbourhood.

16. As explained in paragraph 3 above, a section on extra-budgetary staff was included in the report on the Utilization of Office Accommodation at United Nations Headquarters (JIU/REP/74/6) submitted by the Inspectors in September 1974. For convenience of reference, this section is reproduced as the Annex to this report.

(2) United Nations Office in Geneva^{2/}

17. The United Nations Office at Geneva provides accommodation inter alia for the following units (plus a few staff of the liaison offices of FAO, IAEA and IMCO):

- (a) Fourteen "fully administered units" under the full authority of the Director-General of the United Nations Office at Geneva. All these units were accommodated, as of 1 July 1975, in the Palais des Nations, which, together with its dependencies, including the Petit-Saconnex annex, is owned by the United Nations;
- (b) Fifteen "semi-autonomous" units accommodated, as of 1 July 1975, either in the Palais des Nations, the Petit-Saconnex annex or in rented premises in the Rue de Lausanne and the Rue du Valais;
- (c) Three European or Geneva offices of "extra-budgetary organizations", (UNDP, UNICEF and UNRWA) accommodated, as of 1 July 1975, in the Palais des Nations;

^{1/} As at 30 June 1974.

^{2/} The figures for total and extra-budgetary staff were collected and are presented as of 1 January 1975. However, because of the numerous shifts of units in Geneva from one location to another in the early months of 1975, the location of units is given as of 1 July 1975.

18. The following notes deal only with those units and organizations accommodated in the Palais des Nations or its dependencies which employ extra-budgetary staff. They are divided into:

- (a) "fully administered" units and
- (b) "semi-autonomous" units and organizations.

(a) Fully administered units in the Geneva Office

19. Table 2 below lists five departments or offices which are under the full authority of the Director-General of the United Nations Office at Geneva and which employ extra-budgetary staff, showing the number of such staff as a proportion of the total establishment of the unit concerned.

Table 2

FULLY ADMINISTERED UNITS OF THE UNITED NATIONS OFFICE AT GENEVA
EMPLOYING EXTRA-BUDGETARY STAFF AS OF 1 JANUARY 1975

Name of Unit	(1) Total establishment	(2) Extra-budgetary staff	(3) (2) as percentage of (1)
Narcotic Drugs Division	46	13	28.0
International Narcotics Control Board	26	3	8.0
Centre for Economic and Social Information	17	15	92.0
Technical Assistance Recruitment Service	17	2	12.0
Revenue producing activities	42	1	2.0
Totals	148	34	(22.0)

20. The extra-budgetary funds involved are the United Nations Fund for Drug Abuse Control, which accounts for 13 staff in the Narcotic Drugs Division and three in the Secretariat of the International Narcotics Control Board; the CESI Trust Fund, which accounts for 15 staff; the Special UNDP Fund for TARS (two staff) and the Philatelic Museum Fund for the United Nations Postal Administration (one staff member).

21. The remaining nine fully administered units of the United Nations Office in Geneva, with a total establishment of 1,113, employ no extra-budgetary staff.

22. No charge is made to the above funds in respect of the office space occupied by the extra-budgetary staff concerned. In reply to the Inspectors' question regarding the legal basis for providing office accommodation for extra-budgetary staff, the Secretariat (Budget Division) of the United Nations Office at Geneva replied as follows:

"To our knowledge there is strictly speaking no legal basis, other than that noted in paragraph 159 of JIU/REP/74/6, which specifies whether or not staff financed from extra-budgetary resources should be accommodated in office premises owned or rented by the United Nations free of charge or against payment.".

(Paragraph 159 of JIU/REP/74/6, which dealt with the utilization of office accommodation at United Nations Headquarters, stated that, in reply to a similar question, the Secretariat (Budget Division) had replied that the Secretary-General was authorized by a series of Economic and Social Council resolutions, to accommodate, "without charge except where clearly identifiable expenses are concerned ..., United Nations staff paid from UNDP overhead funds". Paragraph 164 of the same report noted that the Secretariat's explanation did not cover the provision of accommodation for extra-budgetary staff financed from funds other than UNDP overhead funds).

(b) Semi-autonomous and other units in the Geneva Office

23. Table 3 below lists those of the semi-autonomous and other units in the Palais des Nations which, as at 1 January 1975, employed extra-budgetary staff, with the following exceptions:

- (a) the Economic Commission for Europe (ECE), which is dealt with under "Regional Economic Commissions" (see paragraphs 47 to 49 below); and
- (b) the "extra-budgetary organizations" occupying premises in the Palais des Nations, which are dealt with in part B of this chapter (paragraphs 59 to 63 below).

Table 3 is followed by notes on the individual units etc. listed.

Table 3

SEMI-AUTONOMOUS AND OTHER UNITS IN GENEVA EMPLOYING
EXTRA-BUDGETARY STAFF AS AT 1 JANUARY 1975

Name of unit	(1) Total establishment	(2) Total extra- budgetary staff	(3) (2) as percentage of (1)
International Trade Centre	184	59	32.0
UNCTAD	427	77	18.0
UNHCR	379	99	26.0
UNEP (Geneva Office)	10	6	60.0
UN Fund for Drug Abuse Control	7	7	100.0
UNITAR	4	4	100.0
UNRISD	20	20	100.0
Miscellaneous ^{a/}	11	3	27.0
TOTAL	1,042	275	(26.0)

^{a/} Federation of International Civil Servants (2); Inter-organization Board for Information Systems and Related Activities (1).

(i) International Trade Centre (ITC)

Total establishment : 184

Total extra-budgetary staff : 59 = 32.0 per cent

Premises : the Centre occupies commercially rented premises in Geneva and, since May 1975, has rented additional offices in the United Nations annex in Petit-Saconnex.

24. The ITC is jointly financed by the General Agreement on Tariffs and Trade (GATT) and the United Nations Conference on Trade and Development (UNCTAD) on a 50-50 basis. UNDP overhead funds finance about two-thirds of the total extra-budgetary staff, the remaining third being financed by various trust funds contributed by governments. Of the 59 extra-budgetary staff, 24 are employed in the Division of Technical Services, where they account for 34 per cent of the total staff, and 23 (40 per cent) in the Division of Administrative and Common Services.

25. The Centre pays rent (including charges) for the premises which it occupies in a commercially owned building in Geneva. No specific contribution towards rental costs is made from extra-budgetary funds. In May 1975, the Centre took 22 furnished offices in Petit-Saconnex, for which it will pay an annual rent of Sw F 183 per square metre, equivalent to about \$6.80 per square foot at the rate of Sw F 2.50 to the dollar. This rent is inclusive of charges for furniture, heating, light, etc. No specific contribution towards these costs will be made from extra-budgetary funds.

(ii) United Nations Conference on Trade and Development (UNCTAD)

Total establishment (excluding ITC) : 427

Total extra-budgetary staff : 77 = 18.0 per cent

Office premises : in the Palais des Nations, Geneva,
(including Petit-Saconnex annex).

26. Of the total of 77 extra-budgetary staff employed by UNCTAD, all are located at the Organization's headquarters in Geneva, where they represent 20 per cent of the total establishment of 377. 62 are financed by UNDP and five by UNEP; the remaining ten are financed by three special funds.

27. The extra-budgetary staff in UNCTAD are spread throughout the Organization, with concentrations in the Office of the Secretary-General, (15 extra-budgetary staff representing 50 per cent of the total staff) and the Division of Technical Assistance Co-ordination (11, representing nearly the whole of the total staff of 12).

28. No specific contribution is made from the funds concerned towards the cost of the office accommodation in the Palais des Nations occupied by extra-budgetary staff in UNCTAD.

29. In reply to the Inspectors' question regarding the legal basis for accommodating extra-budgetary staff in UNCTAD, the Secretariat stated that:

"The budget of the United Nations provides for office accommodation of UNCTAD as it does for other common services. The legal basis for accommodating staff, be it financed from the regular budget or from extra-budgetary resources, is the same as that followed for the United Nations Secretariat and spelled out in paragraphs 159 through 164 of JIU/REP/74/6."

(iii) United Nations High Commissioner for Refugees (UNHCR)

Total establishment : 379

Total extra-budgetary staff : 99 = 26.0 per cent

Headquarters premises : in the Palais des Nations.

30. The UNHCR Annual Programme, financed from voluntary funds, accounts for 61 out of the 99 extra-budgetary posts. The remaining 38 are temporary staff employed for activities related to special humanitarian tasks, the High Commissioner's emergency fund and the regular trust funds. As at 1 January 1975, some 34 extra-budgetary staff were on field assignments.

31. Included in the 61 posts provided under the Annual Programme, are 38 established posts which until the end of 1973 were borne from regular budget funds.

32. The extra-budgetary staff is distributed among five programmes - the Regular Field Programme (28 per cent of the total), Direction and Co-ordination of Assistance to Refugees (26 per cent), Special Operations (24 per cent), Administration, Management and General Services (11 per cent) and External Relations, Information and Fund Raising (11 per cent).

33. In accordance with the budgetary arrangements applied to the High Commissioner's Office since the 1974-1975 programme budget^{3/}, the volume of the regular UNHCR budget for the four-year period 1974/1977 remains constant in real terms at the 1974 level; modifications are confined to variations in the rates of currency exchange and inflation. Additional administrative and programme support requirements of the office over and above the 1974 level resulting from changing refugee problems are financed from UNHCR voluntary funds. Thus, for a number of field offices, part or the entire cost of renting office premises is being charged to extra-budgetary sources. However, with regard to its headquarters, UNHCR is not required to pay rent or related charges for the premises occupied in the Palais des Nations. The High Commissioner considers this to be consistent with the provisions of the General Assembly resolutions 319 (IV) and 428 (V), which respectively established the High Commissioner's Office and laid down its functions, and of subsequent General Assembly resolutions.

^{3/} See A/9006, paragraphs 13.16-13.21 and supplement No. 8 (A/9008), paragraphs 13.2-13.7.

(iv) United Nations Environment Programme (UNEP)

34. This consists of ten persons of whom six are extra-budgetary, being financed by the Environment Fund. The UNEP office in Geneva occupies premises in the Petit-Saconnex annex for which it pays no rent, although it pays for cables, long-distance telephone calls, postage, pouch services, printing and stationery.

(v) United Nations Fund for Drug Abuse Control (UNFDAC)

35. This unit is wholly financed by voluntary contributions from government institutions, etc. It employs a staff of seven persons. In addition, the Fund finances thirteen persons employed in the Division of Narcotic Drugs and three persons employed in the secretariat of the International Narcotics Control Board (see Table 2). Thus, the Fund finances a total of 23 extra-budgetary staff in Geneva. The Fund staff occupy premises in the Palais des Nations for which the Fund pays no rent or other charges apart from long-distance telephone calls, postage and pouch services.

(vi) United Nations Institute for Training and Research (UNITAR)

36. UNITAR is financially dependent on voluntary contributions from governments, institutions etc. and its staff is therefore extra-budgetary. The Geneva Office has a permanent staff of four, but additional office space is retained for visitors attending seminars etc. The office is located in the Petit-Saconnex annex. It pays no rent for the accommodation provided, but its cables, long-distance telephone calls, postage, pouch services, printing and stationery are paid for by UNITAR headquarters in New York.

(vii) United Nations Research Institute for Social Development (UNRISD)

37. This unit is wholly financed by a trust fund resulting from a gift from the Netherlands Government, and by voluntary contributions from other sources. Its staff of 20 are therefore extra-budgetary. They occupy offices in the Petit-Saconnex annex. The Institute pays no rent for its accommodation, but pays for its cables, long-distance telephone calls, postage, pouch services and printing.

(3) United Nations Environment Programme (Nairobi)

Total establishment : 314

Total extra-budgetary staff : 216 = 69.0 per cent

Headquarters premises : rented from host Government (see below).

38. General Assembly resolution 2997 (XXVII), which set up UNEP, provides for "a small secretariat" which would "serve as a focal point for environmental action and co-ordination" and would be financed from the regular budget, whereas operational programme costs, programme support and administrative costs of the Environment Fund would be borne by the Fund.

39. At the beginning of 1975, the Headquarters establishment of UNEP in Nairobi consisted of 90 posts financed by the regular budget of the United Nations and 197 posts financed from two accounts of the Environment Fund, Programme Support (98) and Fund Administration (99). The regular budget posts therefore constituted about 31 per cent of the total headquarters establishment.

40. The headquarters offices of UNEP in Nairobi occupy premises rented from the Government of Kenya. In the absence of an agreed rationale for the allocation of expenses between the United Nations regular budget and the Environment Fund, the rental and related charges in connexion with the headquarters building were divided equally between them. On the recommendation of ACABQ, however, the question of the allocation of expenses was discussed between the two Secretariats and in a note dated 30 January 1975 (UNEP/GC/42), the Executive Director of UNEP, in agreement with the Secretary-General of the United Nations, recommended to the Governing Council that all increases in the number of staff required for the UNEP Secretariat should henceforth be charged to the Environment Fund. The Secretariat of UNEP has indicated to the Inspectors that this recommendation, which was approved by the Governing Council of UNEP in April 1975, will mean that any increase in the level of rental and related charges payable by UNEP in respect of its headquarters premises will be charged to the Fund.

(4) United Nations Industrial Development Organization (Vienna)

Total establishment : 1,064

Total extra-budgetary staff : 303 = 28.0 per cent

Headquarters premises : provided by host Government (see below).

41. 289 of the total of 303 extra-budgetary staff employed in UNIDO are located in the Organization's headquarters building, provided rent-free by the Austrian Government. The remaining 14 are employed in the Organization's Liaison Offices in New York, Geneva and elsewhere, where they also occupy rent-free accommodation.

42. The headquarters staff are distributed among six of the Organization's eight departments, with concentrations in Administration and Technical Co-operation, each of which employs about 44 per cent of the total. In the Administration Department, the extra-budgetary staff accounts for about two-thirds of the total staff; the proportion in the other departments is substantially smaller.

43. 282 of the extra-budgetary staff are financed by UNDP and the remainder by various voluntary funds. No contribution is made by these funds towards the maintenance etc. costs of the accommodation provided.

(5) Regional Economic Commissions

(a) Economic Commission for Africa (Addis Ababa)

Total establishment : 618

Total extra-budgetary staff : 100 = 16.0 per cent

Headquarters premises : owned by the United Nations, plus some rented accommodation (see below).

44. Of the 100 extra-budgetary staff employed by ECA, 77 are posted in Addis Ababa; of those, 29 are posts provided on a bilateral basis by a number of developed countries, 18 are financed by the United Nations Fund for Population Activities (UNFPA), one by FAO and the remainder by a variety of other voluntary funds. The remaining 23 extra-budgetary staff are also stationed in Ethiopia but outside the capital, being members of United Nations Development Advisory Teams financed by the United Nations Trust Fund for Development Planning. Their office premises are provided by the Ethiopian Government. The extra-budgetary staff at headquarters are distributed among all but two of the divisions of the secretariat, with concentrations in the Population Programme Centre (18), the Joint ECA/UNIDO Industry Division (13) and the Statistics Division (12).

45. The ECA headquarters building, Africa Hall, was transferred to United Nations ownership by the Ethiopian Government free of charge in 1970. ECA pays no rent, but pays for utilities such as electricity, water, telephone, maintenance and

repairs, averaging \$78,000 per annum. The Commission secretariat, in a letter to the Inspectors, states that "... considering that a number of governments generously provide ECA with bilateral assistance in the form of experts to carry out programmes in various fields, we feel that such donor governments should not be charged rental for office space. However, where funds-in-trust arrangements are made for the provision of experts, we collect from the donor governments 14 per cent overheads for administrative costs, such as secretarial assistance, office furniture and equipment provided to the experts."

46. In addition to Africa Hall, the ECA occupies rented space in two nearby buildings. The first of these houses a total of 43 ECA staff, of whom 26 are extra-budgetary (12 financed by the African Census Programme (ACP) and 14 by UNFPA). According to figures supplied by the secretariat, ACP and UNFPA each contribute one-third of the rent of the premises, including charges for water and electricity. The space rented in the second building accommodates a total of 15 staff of whom only one is extra-budgetary; the entire rent is paid by ECA from its regular budget.

(b) Economic Commission for Europe (Geneva)

Total establishment : 247

Total extra-budgetary staff : 20 = 8.0 per cent

Office premises : in Palais des Nations.

47. The extra-budgetary staff of 20 is financed by seven funds, of which UNDP/UNFPA account for six staff members. Two departments of ECE, the General Economic Analysis Division and the Projections and Programming Division, each employ six extra-budgetary staff, the remaining eight being equally divided between the Technical Assistance Office and the Environment and Housing Division.

48. With the exception of the Technical Assistance Office, which is accommodated in the annex in Petit-Saconnex, and employs four extra-budgetary staff, ECE occupies office premises in the Palais des Nations in Geneva: none of the extra-budgetary funds makes any specific contribution towards the cost to the United Nations of providing this accommodation or related facilities.

49. In reply to the Inspectors' inquiry regarding the legal basis for accommodating extra-budgetary staff, the Executive Secretary stated that:

"The extra-budgetary funds allocated to ECE are administered by the Executive Secretary. Staff recruited under these funds are, for all practical purposes, considered as fully attached to ECE and their tasks are part of ECE's approved work programme. Consequently, they are provided with office accommodation on the same basis as the regular budget staff of ECE."

(c) Economic Commission for Latin America (Santiago de Chile)

Total establishment : 589

Total extra-budgetary staff : 74 = 12.6 per cent

Headquarters premises : owned by United Nations.

50. Of the 74 extra-budgetary staff employed by ECLA, 37 are located at the Commission's headquarters in Santiago de Chile, where they account for about nine per cent of the total staff: 20 are financed by UNFPA, nine by UNDP and the remaining eight from bilateral sources. Of the 20 staff financed by UNFPA, 15 are employed in the Social Development Division (which has a total staff of 26) and the remaining five in the Statistical Division (total staff 29). The remaining 17 extra-budgetary staff are distributed in small numbers among all but four of the Commission's fourteen divisions.

51. The extra-budgetary staff employed at the Commission's headquarters share office space with the regular budget staff in a building owned by the United Nations, and no rental payments are involved. No specific contribution is made from the funds concerned towards the cost of the office accommodation provided for extra-budgetary staff.

52. In addition to the staff located in Santiago, there are 37 extra-budgetary staff employed at ECLA's seven sub-regional offices in the Americas, with a concentration of 16 in Buenos Aires. These extra-budgetary staff represent about 23 per cent of the total staff located in the sub-regional offices of ECLA. They occupy premises which, in four of the capitals concerned, are paid for or provided by the Government; in one other capital the Government contributes a proportion of the rent, and in the remaining two the rent is paid by ECLA.

53. In reply to the Inspectors' question regarding the legal basis for accommodating extra-budgetary staff in its office premises, the ECLA Secretariat stated that:

"Since this is a matter of organizational policy, we would prefer that this question be answered by the Office of Financial Services and Office of Legal Affairs at United Nations Headquarters. We are merely following the criteria and practices that have been in force for a number of years.".

(d) Economic Commission for Western Asia (Beirut)

Total establishment : 210

Total extra-budgetary staff : 16 = 7.6 per cent

Headquarters premises : commercially rented.

54. Of the 16 extra-budgetary staff, 12 are financed by UNDP/UNFPA and are employed in connexion with the Population programme. Two are financed by FAO and one each by the International Trade Centre in Geneva and a Netherlands trust fund. All are stationed at the headquarters of ECWA, whose premises are rented.

55. The twelve UNDP/UNFPA-financed staff are accommodated in a separate building; the rental charges for their offices, including charges for heating, lighting, etc., are paid out of the annual allotment from UNFPA in respect of the infrastructure for population activities. No contribution towards rental or related charges is paid from other extra-budgetary funds; according to the ECWA secretariat, their office accommodation "is provided without charge by ECWA since the expenses connected with rental and related facilities cannot be clearly identified.".

(e) Economic and Social Commission for Asia and the Pacific (Bangkok)

Total establishment : 707

Total extra-budgetary staff : 240 = 34.0 per cent

Headquarters premises : provided by host Government, but
additional accommodation rented
commercially.

56. Of the 240 extra-budgetary staff employed in ESCAP, 178 are financed by UNDP and 42 by UNFPA, the two groups accounting for over 90 per cent of the total. The remaining 20 are financed by a number of bilateral trust funds. The extra-budgetary staff are widely distributed within the Commission with concentrations in the Assistance to the Lower Mekong Basin Project (93), the Asian Institute for Economic and Development Planning (63) and the Population Division (42).

57. At the beginning of 1975, 15 of the total of 178 UNDP-financed staff and all the 42 UNFPA-paid staff occupied rented premises, the cost of which was paid from the funds in question. The remaining UNDP staff were accommodated in the Commission's headquarters building or in premises provided by the Government of Thailand.

58. In reply to the Inspectors' question regarding the legal basis for accommodating extra-budgetary staff, the Secretariat of ESCAP stated that:

"There seems to be no clearly defined legal basis for accommodating extra-budgetary staff in office premises owned or rented by ESCAP. However, a flexible practice has prevailed in view of the general mandate of the Commission to carry out all its work programmes, in which the participation of extra-budgetary staff has been and continues to be significant.".

B. "EXTRA-BUDGETARY ORGANIZATIONS" OCCUPYING UNITED NATIONS PREMISES IN GENEVA

59. Certain organizations financed by voluntary contributions have offices in the Palais des Nations in Geneva or in its annex in Petit-Saconnex, as follows:

(1) United Nations Development Programme (UNDP)

60. The Geneva office of UNDP has a staff of 30 who all hold UNDP contracts. Together with the members of the United Nations Volunteer Programme (see (2) below), the UNDP staff is located in the Petit-Saconnex annex. UNDP pays no rent for this accommodation, but pays for its cables, long-distance telephone calls, postage, pouch services and stationery.

(2) United Nations Volunteers Programme (UNV)

61. This unit has a staff of 14 persons who are administered and paid by the United Nations Development Programme (see (1) above) and hold UNDP contracts. The unit is accommodated in the Petit-Saconnex annex. UNV pays no rent for its office accommodation but pays for its cables, long-distance telephone calls, postage, pouch services and stationery.

(3) United Nations Children's Fund (UNICEF)

62. The UNICEF European Regional Office has a staff of 100 persons occupying premises in the new wing of the Palais des Nations, to which the office was transferred from Paris in 1972. UNICEF pays no rent for this accommodation, but pays for its cables, long-distance telephone calls, postage, pouch services, printing and stationery. As stated in the Secretary-General's report of 20 September 1974 on Measures to Improve the Use of Accommodation in Geneva (A/C.5/1607) it is planned to transfer UNICEF (Geneva) to the former ILO headquarters building when this becomes ready for re-occupation. The Inspectors understand that no decision has yet been made regarding the payment by UNICEF of rent in respect of the accommodation in question.

(4) United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) (Liaison office in Europe)

63. This is a small unit consisting of three persons, all belonging to and paid by UNRWA. It pays no rent for its accommodation in the Palais des Nations, but pays for its cables, long-distance telephone calls, postage, pouch services, printing and stationery.

C. SPECIALIZED AGENCIES AND IAEA

(1) Food and Agriculture Organization of the United Nations (Rome)

Total establishment^{4/}: 3,730

Total extra-budgetary staff^{4/}: 1,142 = 30.6 per cent

Headquarters premises : provided by host Government, but additional building rented commercially.

64. A total of 1,331 extra-budgetary staff are employed at FAO Headquarters in Rome; this includes the 192 members of the Secretariat of the World Food Programme (WFP) which is financed from voluntary sources. WFP occupies part of an office building rented by FAO, to which it reimburses a proportionate share of the rent and related charges.

65. Of the remaining 1,139 extra-budgetary staff, 623, or about 55 per cent, are financed by UNDP; these represent nearly 20 per cent of the total headquarters establishment exclusive of WFP. The other 519 are financed by a variety of funds, of which the most important in terms of staff is the FAO/IBRD Co-operative Programme, employing 106 persons. Apart from the WFP Secretariat, the extra-budgetary staff employed at FAO headquarters are distributed throughout the entire Organization, with concentrations in the Agricultural Operations Division (218 extra-budgetary staff, constituting the total staff of the Division), the Field Liaison Division (123 = 94 per cent of the total), the Investment Centre (106 = 87 per cent) and the Administrative Services Division (103 = 27 per cent). These four divisions between them employ nearly 50 per cent of the total headquarters extra-budgetary staff, excluding WFP.

66. The cost of accommodating extra-budgetary staff other than WFP, both in the Organization's main buildings and in the rented building, is in principle met by allocations from the main extra-budgetary funds to a fund known as the General Operations Expenses Pool, which finances headquarters expenditure on premises (including rent), utilities, communications, furniture and equipment, and stationery and office supplies. According to figures supplied by the Secretariat, contributions

^{4/} Including World Food Programme staff.

to the General Operating Expenses Pool for the 1974/75 biennium were as follows:

Regular Programme	71.0 per cent
UNDP Agency costs	13.0 " "
WFP Agency costs	12.5 " "
Trust Fund Agency costs	2.0 " "
UNDP Project Staff at Headquarters) } 1.5 " "
UNDP final reports (mailing expenses)	
UNFPA/FAO Population Programme	
	<hr/> 100.0 per cent <hr/>

67. It was explained to the Inspectors that the contributions from extra-budgetary funds to the General Operating Expenses Pool were not calculated in accordance with any fixed criteria, but were determined in the light of the requirements of the relevant programmes and of the amount of extra-budgetary funds available after paying the salaries and allowances of the staff concerned. It was pointed out that the operating expenses in question exceeded the total amounts available from extra-budgetary sources.

68. As regards extra-budgetary staff in the field, the Inspectors were informed that, as at 1 January 1975, a total of 3,248 staff (including 118 WFP staff) financed from extra-budgetary sources were located in some 66 countries throughout the world, as compared with a total of 381 regular budget field staff of FAO. However, it was explained that these extra-budgetary staff were financed from project funds and not from agency overhead funds and were not, therefore, to be considered as extra-budgetary staff for purposes of this report. The Inspectors have accordingly not included this field staff in the totals indicated in Table 1 of chapter II.

69. In reply to the question regarding the legal basis for providing office accommodation for extra-budgetary staff, the FAO secretariat stated that the question was not fully understood, as all extra-budgetary staff at headquarters were considered as FAO staff members. In further discussion between the Inspectors and members of the secretariat, the latter referred to the arrangements described in

paragraph 66 above, under which contributions are made from extra-budgetary funds towards general operating expenses (including rental charges where appropriate).

(2) International Atomic Energy Agency (Vienna)

Total establishment: 1,215

Total extra-budgetary staff: 12 = less than 1 per cent

Headquarters premises: provided by host Government at nominal rent.

70. Of the 12 extra-budgetary staff employed in IAEA, seven are financed by the Trust Fund for the Joint Protein Programme and the remaining five by three other voluntary funds. Four are employed as workers in a laboratory which is separate from the headquarters building. Apart from a nominal annual fee to the Austrian Government, which is the owner of the buildings in question, the IAEA pays no rent for the premises which it occupies. In reply to the Inspectors' question regarding the legal basis for providing office accommodation free of charge for extra-budgetary staff, the Agency stated that:

"... the Agency's Headquarters Agreement indicates that the premises are made available for the purposes of the organization, to be used as the organization sees fit. These extra-budgetary staff perform activities which fall within the scope of IAEA, and are therefore covered by the Headquarters Agreement. There has never been a question raised by the Austrian Government on this point."

(3) International Civil Aviation Organization (Montreal)

Total establishment: 616

Total extra-budgetary staff: 77 = 12.5 per cent.

Headquarters premises: rented, but host Government pays 85 per cent of rental.

71. ICAO Technical Assistance funds, consisting of allocations from UNDP and of various funds-in-trust from individual governments, are administered separately from the Regular Programme Funds of the Organization appropriated by the ICAO Assembly. 14 per cent of each of the extra-budgetary funds is paid into a separate fund, the Administrative and Operational Costs Fund (AOSC Fund). The AOSC Fund is used to finance the Technical Assistance Bureau, which performs programme support

activities and whose staff of 63 are all extra-budgetary. Of the remaining extra-budgetary staff, ten are employed in the Finance Branch, two in the Personnel Branch and two in the Internal Audit Section.

72. No charge has been made to the AOSC Fund in respect of office rent or utilities in the building hitherto occupied by ICAO. However, during 1975, ICAO plans to move into a new building which will be rented. (The Canadian Government will pay 85 per cent of the rental). A proportion of the rental and related building operating costs will be charged to the AOSC Fund, on the basis of the space occupied by personnel financed by the Fund. The level of rent and operating costs will be reviewed periodically and the charges to the Fund adjusted accordingly. This policy has been approved by the ICAO Assembly.

(4) International Labour Office (Geneva)

Total establishment: 1,994

Total extra-budgetary staff: 347 = 17.4 per cent

Headquarters premises: owned by Organization.

73. UNDP and UNFPA overhead contributions account for 305 or 88 per cent, of the extra-budgetary staff, the remainder being financed from various smaller funds. The extra-budgetary staff is distributed throughout the Organization; three administrative departments account for about 44 per cent of the total, and three substantive departments for a further 44 per cent. A total of 13 extra-budgetary staff are employed in field offices, where they occupy rented accommodation. No contribution from extra-budgetary funds is made towards the cost of providing office space, or related facilities and services, for extra-budgetary staff.

74. In reply to their question regarding the legal basis for accommodating extra-budgetary staff in office premises owned or rented by the ILO, the Inspectors were informed that this was set out in paragraphs 160-162 of the JIU report on the Utilization of Office Accommodation at United Nations Headquarters, i.e.

- (i) Annex I of Economic and Social Council resolution 222 (IX)
- (ii) Paragraph 29 of Part B (IV) of General Assembly resolution 1240 (XIII), and
- (iii) Operative paragraph 2 of General Assembly resolution 2029 (XX).

At the same time, the ILO reply pointed out that a Cost Measurement System analysis in 1973 had revealed that "of the total of resources available under regular budget and executing agency cost accounts, 19.5 per cent was devoted to the service and support (including related overhead costs) of UNDP projects, and 5.8 per cent to the service and support (including overheads) of other extra-budgetary projects.".

(5) International Maritime Consultative Organization (London)

Total establishment: 168

Total extra-budgetary staff: 23 = 13.7 per cent

Headquarters premises: rented, but host Government pays 80 per cent of rental.

75. All the 23 extra-budgetary staff of IMCO are financed by UNDP funds and are employed in the Technical Co-operation Division. The organization pays rent for its headquarters building, of which 80 per cent is refunded by the British Government. No specific contribution towards the rent is made from UNDP funds.

76. Resolution A.102 (IV) of the IMCO Assembly, establishing the IMCO Technical Assistance Fund, approved a report by the Secretary-General of IMCO in which the latter had recommended, inter alia, that "all expenditure having an indirect bearing on IMCO's activities in connexion with the EPTA programme (should) be charged, in suitable proportions, against the monies allocated to the Technical Assistance Fund". The Inspectors were informed that the instructions regarding the Fund, issued in 1966 by the Secretary-General on the basis of Resolution A.102 (IV) included the following interpretations with regard to common service and certain other costs:

"4. The Technical Assistance Fund shall be debited with:

- (a) salaries and allowances of IMCO staff members and IMCO consultants who are working full time on Technical Assistance matters;
- (b) all readily identifiable expenses such as travel, printing, telegrams and long-distance telephone calls.

5. No charge against Technical Assistance funds will be made for man-hours devoted to Technical Assistance matters by the Secretary-General or any other member of the Secretariat

when less than substantially full time of the individual concerned.

6. No charge against Technical Assistance funds will be made for common services, such as space, heat, light, cleaning, expendable supplies, nor for the use of existing furniture, typewriters and similar equipment, nor for local telephone calls."

77. The Inspectors were further informed that the question of administrative costs chargeable to the Technical Assistance Fund was re-examined in 1968 by the next Secretary-General, who confirmed the interpretation of his predecessor that the words "all expenditure having an indirect bearing on IMCO's activities" did not include the cost of the common services specified under item 6 above. According to the present Secretary-General, this interpretation was based on the understanding that it was in accordance with the general practice of other United Nations agencies and with the Technical Assistance Board decision of October 1950 (TAB/R.50/Rev.1) relating to common service costs and with General Assembly resolution 1240 (XIII) of October 1958. In accordance with this procedure, the entire cost of headquarters accommodation has been charged to the regular budget and approved accordingly by the governing bodies of IMCO.

(6) International Telecommunication Union (Geneva)

Total establishment: 620

Total extra-budgetary staff: 94 = 15.0 per cent

Office premises: owned by Organization.

78. The 94 extra-budgetary staff of ITU are financed by UNDP funds, which are accounted for separately. 71 staff, or 76 per cent of the total of extra-budgetary staff, are employed in the Department of Technical Co-operation, the remaining 23 distributed among seven other offices.

79. ITU Technical Co-operation activities began in 1959, at which time the Union paid rent for the premises which it occupied. In 1962, it was decided to charge token amounts to Technical Co-operation funds in respect of administrative costs. This decision is stated by the Secretariat to have been based on Resolution No. 28 of

the Plenipotentiary Conference held in Geneva in 1959, which laid down that "the administrative and operational costs resulting from the Union's participation in the United Nations Expanded Programme for Technical Assistance shall be included in the budget of the Union, on the understanding that the compensatory payments from the Special Account of the Expanded Programme shall be included as income in the said budget.". The amounts charged were Sw F 6,000 in 1962 and Sw F 8,000 in each of the years 1963, 1964 and 1965. In 1966, when ITU began to make annual payments for the purchase of its building, the contribution from Technical Co-operation funds in respect of administrative costs was increased to Sw F 50,000, this payment being repeated in 1967. In 1968, the Technical Co-operation Department moved into separate rented premises, the cost of which was debited to the Technical Co-operation account until 1972. In 1973, the Technical Co-operation Department having been moved back into the Headquarters premises which had been enlarged by the addition of a new building, the contribution was increased to Sw F 320,000, representing about 18 per cent of the costs incurred in connexion with the Headquarters buildings, and in 1974 to Sw F 400,000 (11 per cent). In 1974, however, the Administrative Council decided that expenditure connected with the use of premises of the Technical Co-operation Department should be regarded as a charge on the Union's regular budget as from 1 January 1975. The Administrative Council considered that this decision was compatible with Resolution 16 of the Plenipotentiary Conference held at Torremolinos in 1973, which laid down that "the administrative and operational services costs resulting from the Union's participation in the UNDP shall be included in a separate part of the budget of the Union...".

(7) United Nations Educational, Scientific and Cultural Organization (Paris)

Total establishment: 2,512 (including 200 temporary posts)

Total extra-budgetary staff: 520 = 20.7 per cent

Headquarters premises: owned by Organization.

80. According to information originally supplied by the Secretariat, the total of established extra-budgetary posts at the headquarters of the Organization as at 1 January 1975 was 284, representing about 11 per cent of the total establishment. Of these posts 238 were filled. This staff was financed by 14 different funds of which two (the IBRD/IDA Co-operative Programme and UNDP Agency Costs) each

accounted for 47 staff, the Publications and Auditory and Visual Material Fund for 33, the UN Fund for Population Activities 25 and the Utilization of Headquarters Fund 24. Thus, these five funds between them accounted for some 74 per cent of the total extra-budgetary staff at headquarters. The latter was widely distributed throughout the Secretariat, with concentrations in the Education Sector (83 extra-budgetary staff, representing about 35 per cent of the total), Publications Services (31 = 13 per cent), General Services (29 = 12 per cent) and the Communications Sector (27 = 11 per cent). The staff in question were accommodated in the Organization's own buildings. No specific contribution towards the cost of these premises was made by any of the funds involved.

81. In reply to the Inspector's question regarding the legal basis for providing accommodation for extra-budgetary staff, the Secretariat stated that:

"In view of the fact that the Director-General is authorized by Financial Regulation 6.6 of the Organization to establish trust funds, reserve and special accounts for the purpose of carrying out activities consistent with the aims, policies and activities of the Organization, and that it is sometimes necessary to establish posts (financed from these extra-budgetary sources) at headquarters to implement and/or supervise these activities, it follows that such extra-budgetary staff should be accommodated in the office premises owned by the Organization.".

82. After examining the figures summarized above, the Inspectors suggested to the Secretariat that since the cost of projects financed by UNDP and executed by UNESCO was met from the regular budget, the corresponding UNDP overhead contributions being credited to the Organization's General Fund, there would appear to be a substantial number of staff whose presence was directly attributable to UNDP funds and who were in that sense extra-budgetary staff, even though they were in appearance paid from the regular budget. After some discussion, the Secretariat estimated the number of staff possibly attributable to UNDP funds at 236, based on the following calculation:

	\$
(1) UNDP contributions for the biennium 1975/1976	<u>13,000,000</u>
(2) Proportion estimated as applying to staff costs = 85.6 per cent	<u>11,128,000</u>
(3) Breakdown of (2) into:	
(a) Professional and above	6,610,000
(b) General Service	<u>4,518,000</u>
	<u>11,128,000</u>
(4) Estimated <u>average</u> cost of each staff member for the 1975/1976 biennium:	
(a) Professional and above	<u>70,300</u>
(b) General Service	<u>31,900</u>
(5) (3) divided by (4) = estimated number of staff:	
(a) Professional and above	94
(b) General Service	<u>142</u>
	<u>236</u>

83. It was pointed out, however, that the above total was a purely theoretical estimate and that none of the staff in question could be identified with any actual posts. Nevertheless, the Inspectors have concluded that the figure of 236 is sufficiently indicative to be included in the totals given in Table 1 of chapter II above.

84. The Inspectors were informed that all extra-budgetary staff in the field, with a few exceptions, were financed from project funds and not from agency overhead funds, as in the case of FAO (see FAO above). The exceptions related to an estimated five Professional and five General Service staff who, by a calculation similar to that explained in paragraph 82 above, could be attributed to UNDP funds, although their salaries and allowances are charged to the regular budget. In the circumstances, it appears inappropriate to include this total in Table 1 of chapter II.

(8) Universal Postal Union (Berne)

Total establishment : 124

Total extra-budgetary staff : 22 = 17.7 per cent

Headquarters premises : owned by Organization.

85. It was explained to the Inspectors that, strictly speaking, UPU has no extra-budgetary staff in view of the fact that all its personnel are paid from the Union's regular budget. However, it was acknowledged that 22 staff members are engaged on projects financed by UNDP and that the Union receives a corresponding contribution from UNDP in respect of overhead costs. All but one of the staff in question are employed in the Technical Co-operation Division, where they account for nearly 80 per cent of the total staff.

86. The office building occupied by UPU is its own property. No specific contribution is made from UNDP funds to cover the cost of the office space occupied by the staff working on UNDP projects (i.e. maintenance, light, heating, etc.), but the Director-General estimates that approximately 50 per cent of the cost is covered by the UNDP overhead contributions.

87. In reply to the Inspectors' question regarding the legal basis for accommodating staff financed from extra-budgetary sources, the Director-General stated that no special legal provision appeared to be necessary in view of the fact that the staff in question were an integral part of the staff of UPU.

(9) World Health Organization (Geneva)

Total establishment : 4,529

Total extra-budgetary staff : 1,120 = 25.0 per cent

Headquarters premises : owned by Organization but some offices rented (see below).

88. Of the 143 extra-budgetary staff employed at WHO headquarters in Geneva (including 33 inter-regional staff), 34 are financed by UNFPA, one by UNDP and three by the United Nations Fund for Drug Abuse Control; the remaining 97 are financed by a number of voluntary funds of which five are special accounts of the Voluntary Fund for Health Promotion, financing a total staff of 57.

89. Extra-budgetary staff at headquarters are widely distributed among the Organization's various programmes, with concentrations in the divisions or units concerned with Family Health (56 including inter-regional posts) and Environmental Health (20).

90. Most of the extra-budgetary staff at Headquarters occupy office space in the Organization's own building but two are among the staff who, since 1 January 1975, have occupied offices rented by WHO in the new ILO building.

91. As regards contributions from extra-budgetary funds towards the cost of providing office accommodation for staff financed by such funds, the WHO Secretariat state that:

"Certain of the extra-budgetary funds, including the UNFPA programme, the Onchocerciasis Control Programme and the Human Reproduction Programme, are charged \$1,000 per annum for each extra-budgetary post established to carry out the programme to be financed from such funds. This sum is intended to cover the common service costs, including, where applicable, the cost of accommodation (e.g. rental), relating to such extra-budgetary posts.

"In addition, the Special Account for Servicing Costs is credited with funds made available to the Organization for the servicing and support of projects financed from extra-budgetary services such as UNDP, Funds-in-Trust, the Voluntary Fund for Health Promotion, etc.. Based upon tentative estimates of anticipated reimbursements for programme support costs (mainly in respect of UNDP-financed projects executed by WHO), a corresponding amount has been shown in each year's proposed programme budget as available to help finance the regular budget. Consequently, it may be considered that to the extent that the regular budget provides for the cost of office accommodation of both regular budget and extra-budgetary staff, extra-budgetary funds being used to help finance the regular budget also contribute to the financing of part of the cost of such accommodation.".

92. According to information supplied by the Secretariat, extra-budgetary staff employed in the regional offices of WHO as at 1 January 1975, was as follows:

<u>Region</u>	<u>Extra-budgetary staff</u>	<u>Percentage of total staff of region</u>
Africa	68	10.0
The Americas	1,452	87.0
South-East Asia	74	16.0
Europe	41	16.0
Eastern Mediterranean	120	26.0
Western Pacific	54	15.0
Onchocerciasis Control Programme (Ouagadougou)	436	-
	<u>2,245</u>	

93. Of the above total, however, 1,294 are staff in the Americas financed by the Pan-American Health Organization (PAHO), which has its own budget financed by assessed contributions from its Member States. Although PAHO also receives financial support from voluntary funds, the Inspectors consider that the staff in question does not fall within the definition of extra-budgetary staff given in paragraph 4 above, and should be omitted from the table, thereby reducing the total of WHO extra-budgetary staff in the regions to 951. The extra-budgetary staff in the regions is financed as follows:

<u>Fund</u>	<u>Total staff</u>
UNDP	366
UNFPA	133
Funds-in-Trust	16
Onchocerciasis Control Programme	436
	<u>951</u>

With occasional exceptions, extra-budgetary staff in the regional offices and in the field occupy rent-free office accommodation.

(10) World Meteorological Organization (Geneva)

Total establishment : 271

Total extra-budgetary staff : 57 = 21.0 per cent

Headquarters premises : Owned by Organization

94. Of the total of 57 extra-budgetary staff in WMO, 45 are financed by UNDP and the remaining 12 by three other voluntary funds. Of the 45 UNDP-financed staff, 34 are employed in the Technical Co-operation Department, whose total staff of 36 is entirely extra-budgetary, and 11 in the Administration and External Relations Department, where they account for one fifth of the total staff.

95. The Organization owns its headquarters building and does not rent outside office accommodation. An annual contribution, originally fixed at \$5,000 but raised to \$6,000 in 1972, is made from the Overhead Fund towards building maintenance costs. According to the WMO Secretariat, "this allocation, which in no way corresponds to the actual costs of accommodating the Technical Co-operation Department in the WMO Headquarters building, was arbitrarily set at the indicated amount after having given full consideration to the limited financial resources available to the Department to meet its administrative costs ... This amount of \$6,000 is therefore to be considered as a contribution to the rental of office space, as well as to the heating, lighting and cleaning charges resulting from the use by the staff of the Technical Co-operation Department of the various offices put at their disposal."

96. In reply to the Inspectors' question regarding the legal basis for providing office accommodation for extra-budgetary staff, the Organization replied as follows:

"The legal basis for accommodating extra-budgetary staff in premises owned by the Organization lies in the decisions of the WMO Congress and the WMO Executive Committee which establish these units as integral parts of the WMO Secretariat."

Annex

EXTRACT FROM JOINT INSPECTION UNIT REPORT
ON THE UTILIZATION OF OFFICE ACCOMMODATION
AT UNITED NATIONS HEADQUARTERS
JIU/REP/74/6 (A/9854)

IV. EXTRA-BUDGETARY STAFF

A. Identification, number, funding and location of extra-budgetary staff

149. In paragraph 5 of its report of 19 October 1973 on United Nations office accommodation (A/9008/Add.2), quoted in section I of this report (see paragraph 8 above), the ACABQ drew attention to the strain on the office space resources of the United Nations resulting from the expansion in recent years of Secretariat staff financed by extra-budgetary funds, and raised the question whether the cost of providing office accommodation for such staff should be borne by the regular budget or met from the extra-budgetary funds themselves. The Advisory Committee recommended that the question should be the subject of a study by the Secretary-General.

150. As also mentioned in section I above, the Fifth Committee recommended, and the General Assembly agreed at its twenty-eighth session, that the study proposed by the ACABQ should be undertaken by the Joint Inspection Unit in conjunction with the report on the question of the use of office accommodation within the United Nations system which the Unit had been called upon to submit to the General Assembly at its thirtieth session.

151. In this section, the term "extra-budgetary staff" refers to personnel employed by the United Nations but paid from sources other than the regular budget, i.e. UNDP/UNFPA Overhead Fund, Special Accounts (e.g. UNEF, UNFICYP), trust funds etc.. The Inspectors believe that this definition of the term "extra-budgetary staff" coincides with that of the ACABQ in the report referred to above. It will be noted that the definition excludes certain categories of persons occupying office space in the Headquarters building who, although they are "extra-budgetary" in the sense that they are financed from sources other than the regular United Nations budget, are not part of the United Nations Secretariat. These categories (including liaison staff of the specialized agencies and IAEA, news media personnel, contract staff, etc.) are dealt with in section II of this report. Secretariat staff who are paid from the regular United Nations budget are referred to as "budgetary staff".

152. According to information supplied by the Budget Division of the Office of Financial Services, in consultation with the Office of General Services, there were on 30 June 1974 607 extra-budgetary staff employed at the United Nations in New York, representing 12.5 per cent of the total United Nations staff. The following table analyzes the extra-budgetary staff by source of funds and shows the relative numerical strength of each fund group:

Table 7

Fund	No. of staff	Percentage of total staff
UNDP/UNFPA Overhead Fund	400	8.2
UNDP subvention for United Nations infrastructure	24	0.5
UNFPA Work Programme	63	1.3
UNEP/UNDOF	24)	
Fund for Development Planning	18)	
Trust Fund for Arabic Language Service	14)	
Trust Fund for Economic and Social Information	11)	1.9
Fund for the Environment	9)	
World Food Programme - FAO subvention	4)	
Special Sahelian Fund	4)	
Miscellaneous minor funds	9)	
United Nations staff charged, on the basis of work performed, to UNJSPF (8), UNITAR (6), UNICEF (5), UNDP (4), UNCDF (3), UNFPA (1)	27	0.6
	607	12.5
Regular budget (established posts 4,169, temporary assistance 94)	4,263	87.5
Total	4,870	100.0

153. The following table analyzes the extra-budgetary staff by individual department or office within the Secretariat.

Table 8

(1)	(2)	(3)	(4)	(5)
Department or Office	Budgetary staff	Extra-budgetary staff	(3) as percentage of (2) + (3)	(3) as percentage of total extra-budgetary staff
Economic and Social Affairs	719	351	33.0	58.0
General Services	841	81	9.0	13.0
Financial Services	149	60	29.0	10.0
Personnel Services	185	43 ^{a/}	1.9	7.0
Conference Services	1,422	22	1.5	4.0
OPI	270	18	0.6	3.0
Administration and Management	107	10	8.5)	
UNEP	15	9	37.5)	
Office of Secretary-General	185	8	4.0)	5.0
Legal Affairs	95	5	5.0)	
Other offices etc.	275	-	-	-
Total	4,263	607	-	100.0

^{a/} Includes 34 in TARS.

154. The above table (Table 8) shows that the extra-budgetary staff employed at Headquarters is fairly widely spread throughout the Secretariat, but with a strong concentration in the Department of Economic and Social Affairs, which employs nearly 60 per cent of the total, while one-third of its own staff is extra-budgetary.

155. Further analysis of extra-budgetary staff by source of funds shows that, of the 400 staff financed by the UNDP/UNFPA Overhead Fund, 265, or two-thirds, are employed in the Department of Economic and Social Affairs which also employs 55 of the 63 staff financed by the UNFPA subvention to the United Nations Work Programme. The only other departments employing Overhead Fund staff in significant numbers are the Office of General Services (47), the Office of Financial Services (45) and the Office of Personnel Services (38).

156. As regards the location of extra-budgetary staff as of 30 June 1974, 495 (81.5 per cent of the total) worked in the Secretariat building and 39 (6.5 per cent) in other parts of the Headquarters complex. The remaining 73, representing 12 per cent of the total, were distributed among three of the outside buildings where the United Nations currently rents office space (44 at 485 Lexington Avenue, 13 in the Chrysler building and 16 in the Burroughs building). Of the total staff located in outside premises, the proportion of extra-budgetary staff is 13.6 per cent.

157. The grade pattern of the extra-budgetary staff employed at Headquarters is as follows in Table 9:

Table 9

	Overhead Fund	Other Extra-budgetary funds	Total
D.1 and above	7	^{a/}	16
Professional grades P.1-P.5	179	61	240
General Service	214	137	351
	400	207	607

^{a/} Includes one Assistant Secretary-General

158. During the Fifth Committee's 1973 discussion of office space utilization, referred to in paragraph 150 above, interest centred on the following aspects of the presence of substantial numbers of extra-budgetary staff at Headquarters and elsewhere in the United Nations system:

- (a) the legal basis for the accommodation of such staff in United Nations premises;
- (b) the cost of providing the accommodation in question, and who should bear it.

B. The legal basis for accommodating extra-budgetary staff

159. The Inspectors inquired concerning the legal basis for accommodating extra-budgetary staff in premises owned or rented by the United Nations. The Secretariat (Budget Division) replied that the Secretary-General is authorized, by a series of Economic and Social Council and General Assembly resolutions, mentioned in the immediately following paragraphs, to accommodate, "without charge except where clearly identifiable expenses are concerned ..., United Nations staff paid from UNDP overhead funds".

160. Economic and Social Council resolution 222 (IX), which established the Expanded Programme of Technical Assistance, states in Annex I that "the work undertaken by the participating organizations under the Expanded Technical Assistance Programme should be such as to be suitable for integration with their normal work", and that "participating organizations should also ensure the fullest use of any existing facilities".

161. General Assembly resolution 1240 (XIII), which established the Special Fund, stated that:

"The Managing Director of the Special Fund shall be assisted by a small group of officials to be selected by him or in consultation with him, on the basis of their special competence.

For other services, the Managing Director shall rely as far as possible on the existing facilities of the United Nations, the specialized agencies, the International Atomic Energy Agency, and the Technical Assistance Board. These facilities should be made available to the Special Fund without charge except when clearly identifiable additional expenses are involved ...".
(Underlining inserted.)

162. Operative paragraph 2 of General Assembly resolution 2029 (XX), which consolidated the Expanded Programme of Technical Assistance and the Special Fund into the United Nations Development Programme:

"Reaffirms the principles, procedures and provisions governing the Expanded Programme of Technical Assistance and the Special Fund not inconsistent with the present resolution and declares that they shall continue to apply to relevant activities within the United Nations Development Programme."

163. In support of its position with respect to accommodating staff paid from UNDP overhead funds, the Secretariat also stated that:

"In terms of resolutions 200 (III), 418 (V), 723 (VIII), 926 (X), 1256 (XIII), 1395 (XIV), 2029 (XX), 2349 (XXII), 2514 (XXIV), 2803 (XXVI) and 2688 (XXV), the United Nations has a mandate to execute development assistance projects on behalf of the UNDP. Thus, project execution is an integral part of the activities of the United Nations."

164. It will be noted that the foregoing explanation does not cover the provision of accommodation for extra-budgetary staff financed from funds other than UNDP overhead funds.

C. The cost of accommodating extra-budgetary staff

165. The cost of providing office accommodation for extra-budgetary staff in outside rented premises can be calculated on an approximate basis by taking the average per capita rent paid in each of the three buildings involved and multiplying it by the number of extra-budgetary staff in that building. On the basis of the situation as on 30 June, the calculation for 1974 would be as indicated in Table 10.

Table 10

(1)	(2)	(3)	(4)	(5)	(6)
Building	Total staff	Total rent (including charges) \$	Rent per capita \$	Extra-budgetary staff	Rent attributable to (5) \$
485 Lexington Avenue	326	489,558	1,500	44	66,000
Burroughs building	107	270,386	2,527	16	40,432
Chrysler building	103	386,907	3,517	13	45,721
	536	-	-	73	152,153

166. It will be noted that the calculation in Table 10 suggests an average per capita cost of \$ 2,080 for accommodating extra-budgetary staff in outside rented premises.

167. The cost of providing accommodation for extra-budgetary staff occupying space in the Headquarters buildings cannot be calculated on a rent per capita basis, as in the case of staff in rented premises, since the buildings are the property of the United Nations and no rent payments are involved. It is, of course, possible to use for extra-budgetary staff in the Headquarters buildings, the same approach as is used (see section II) to fix the rent for the liaison offices of the specialized agencies in the

Secretariat building, viz., the cost of housing the same staff in outside rented premises. This approach would mean that for the some 530 extra-budgetary staff in the Headquarters buildings, the United Nations should be reimbursed at a per capita rate of \$ 2,080 per annum, or a total per annum of \$ 1,102,400.

168. It can also be argued that, but for the presence of some 530 extra-budgetary staff, all of the 460-odd budgetary staff now located in outside premises could have remained in the Headquarters buildings, where it would not be necessary to pay rent for their accommodation. On this basis it can be contended that the cost to the United Nations of accommodating extra-budgetary staff is the total cost of renting outside premises.

169. According to a cost-measurement exercise carried out by a task force of the Consultative Committee for Administration Questions, the per capita cost in 1973 of office space and related services in the Department of Economic and Social Affairs at Headquarters which, as noted in paragraph 154 above, employs nearly 60 per cent of the total extra-budgetary staff employed at Headquarters, was as follows:

	<u>\$ per capita</u>
Occupancy, including rent of outside premises, amortization of construction loans for Headquarters buildings etc.	482
Utilities	237
Cleaning	201
Maintenance`	200
	<hr/>
	1,120
	<hr/>

D. Payment of the cost of accommodating extra-budgetary staff

170. In reply to the question of what proportion, if any, of the cost of office accommodation and related services and facilities provided for extra-budgetary staff was met from extra-budgetary sources, the Inspectors were informed that, in 1974, a total of \$ 163,325 was being contributed towards the cost of rented office space.

This sum is made up as follows:

- (a) Direct payments by the World Population Conference (\$ 26,325), and the Sahelian Office (\$ 12,000), for office space occupied by a total of 39 staff in the premises rented by the United Nations at 485 Lexington Avenue. These

payments represented a temporary arrangement and would continue only as long as the extra-budgetary units concerned remained in being.

(The Inspectors understand that the Sahelian Office has already been wound up.)

- (b) An allocation of \$ 125,000 from the UNDP/UNFPA Overhead Fund, payable as from 1 January 1974.

171. In reply to their inquiries regarding the purpose of the \$ 125,000 allocation from the Overhead Fund and the basis on which the sum had been calculated, the Inspectors were informed that it had been decided in 1973 that, as from 1 January 1974, a contribution should be made from the Overhead Fund towards the rental costs of outside office space occupied by staff paid from that Fund. The amount of the allocation had been calculated on the basis of the proportion of the total number of extra-budgetary staff working on UNDP-financed programmes to the total United Nations staff in New York. This proportion, having been estimated at about 12 per cent, was then applied to the total amount due for rentals of outside office space in 1973, then estimated at a little over \$ 1 million. It was explained that this method of computation, and the arrangement itself, were regarded as subject to review in the light of experience and of any proposals which might result from the present study.

172. The Inspectors inquired why the proportion of total extra-budgetary staff to total United Nations staff in New York had been used to determine the contribution to be made to outside rental costs from the Overhead Fund. They were informed, in reply, that the formula had been selected as representing a reasonable compromise between two extreme positions - one in which the Overhead Fund made no contribution towards rental costs, and the other in which it paid the full costs. At the same time, it was admitted that after the formula had been decided upon, further analysis of the extra-budgetary staff in New York had shown that not all of it was financed by UNDP or working in support of UNDP-financed projects. In fact, as shown in Table 7 above, the 400 "overhead" staff (i.e. staff financed by the UNDP/UNFPA Overhead Fund) now account for only two-thirds of the total extra-budgetary staff and only a little over 8 per cent of the total United Nations staff in New York.

173. In other words, the allocation of \$ 125,000 from the Overhead Fund is more than sufficient, in terms of the rationale used to justify this allocation (see paragraph 171), to cover the rental costs attributable, on an average basis, to "overhead" staff

working in rented premises (who number only 48); indeed, if the World Population Conference and Sahelian Office staff (whose rent is paid by their respective units - see paragraph 170 above) are excluded, the Overhead Fund contribution more than covers the rental costs of all the remaining extra-budgetary staff in rented premises. The total of \$ 163,325 contributed in 1974 by the three funds represents about 15 per cent of the cost of accommodating a total of 536 staff, of whom less than 14 per cent are extra-budgetary.

174. It appears to the Inspectors that the decision to allocate part of the Overhead Fund towards meeting the cost of office accommodation for extra-budgetary staff implies acceptance of the view that the cost (whatever it may be determined to be) of such accommodation - at any rate when it has to be rented on a commercial basis - must be regarded, in the terms of General Assembly resolution 1240 (XIII), as a "clearly identifiable additional expense", to be met by the extra-budgetary fund concerned rather than provided by the Secretariat from its own budgetary resources. This conclusion would appear to be confirmed by the fact that two other extra-budgetary units - the World Population Conference and the Sahelian Office - have also been paying rent for the office space occupied by staff engaged in the execution of their respective projects; however, it is relevant to point out in this connexion that, according to information supplied to the Inspectors, the staff in question have operated as units occupying separate offices or suites of offices, whereas the other extra-budgetary staff are fully integrated with their budgetary colleagues. The question arises whether the remaining extra-budgetary funds employing staff located in premises rented by the United Nations should not also reimburse, or at least contribute to, the cost of their accommodation.

175. A second question is whether the Overhead Fund and other extra-budgetary funds should not also reimburse, or contribute to, the cost of accommodating staff employed on their behalf and working in the Headquarters building. This cost is obviously not as "clearly identifiable" as the cost of rented office space, but the CCAQ exercise referred to in paragraph 169 above shows that it can be, and has been, identified and measured.

176. Office space, including the services and facilities which go with it such as heating, electricity, etc., is only one of the many services and facilities provided by the United Nations for extra-budgetary as well as budgetary staff employed in the Secretariat, whether in the Headquarters building or in rented premises. The question

whether extra-budgetary funds should pay for, or contribute to, the total cost of accommodating staff employed on their behalf is part of the general problem of overhead costs with which the United Nations family, including the UNDP, have been concerned for some time and for which no answer has yet been found.

177. The questions referred to in the preceding three paragraphs - whether all extra-budgetary funds should pay, or contribute towards, the accommodation costs of staff employed on their behalf; whether this principle should apply to accommodation provided in the United Nations buildings as well as to accommodation in rented premises; and whether it should be extended to other facilities and services provided by the United Nations to staff financed from extra-budgetary funds - all appear to the Inspectors to raise major issues of policy on which they are not competent to make recommendations. They hope, however, that the information provided in this section will have helped to clarify the issues and to facilitate the task of those called upon to deal with them. A desirable outcome of any discussion of the question of extra-budgetary staff at the policy level would be the formulation of precise and comprehensive instructions to the Secretary-General regarding the facilities and services which he should or should not provide to such staff at the expense of the regular budget.
