Report
on Trust Funds of the United Nations

by
Robert M. Macy
Joint Inspection Unit

Geneva
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REPORT ON TRUST FUNDS OF THE UNITED NATIONS

Introduction

1. This general study of trust funds accepted by the United Nations was undertaken for the following reasons:

(a) Even though contributions to United Nations trust funds have increased rapidly during the past 10 years, and totalled over $60,000,000 just for the year 1970, no general study or evaluation has ever been made of this source of revenue; and so far as I could determine, there has been almost no discussion in the ACC of this important subject.

(b) The Secretary-General himself and several senior UN officials have expressed concern over the possible long-run implications of the continuing upward trend of trust funds.

2. In order to bring trust funds into focus with better known and more conventional sources of revenue, it should perhaps be recalled that during the past 15 years there has been a continuing shift from primary reliance on assessed contributions to finance economic and social activities of the United Nations family, to voluntary contributions. For example, well over 50% of the expenditures of the UN itself for such activities are now based on voluntary contributions. (The comparable figure for FAO is nearly 80%.) Some of the reasons for this shift are rather obscure, but include the following:

(a) many of the larger contributors to the United Nations were not happy with the prospect of putting up large sums for operations under an arrangement where each member country had one vote, and thus favoured separate operations-oriented organizations financed by voluntary contributions in order to avoid situations where they would be bound by General Assembly votes for development. (Note for example the history of the Capital Development Fund Resolution.);

(b) experience indicates that if money is requested through several channels - not just assessed contributions - the total revenue available to the United Nations family will be substantially larger; and

(c) there is a very significant long-term trend toward increasing reliance on multilateral planning, programming, and coordination, for bilateral programmes, and the emergence of hybrid bilateral programmes administered by multilateral agencies.
3. Initially this shift took the form largely of annual voluntary contributions by many Member States to finance such organizations as UNHCR, UNDP, UNESCO, and the World Food Programme. More recently, there has been a trend towards voluntary contributions not to UN organizations as such, but to individual projects and programmes included in the regular programme of work and country programmes of these organizations. Such voluntary contributions for specific purposes are usually called "trust funds", are included in the UN accounts in New York, and are subject to the UN Financial Regulations and Rules as are the more conventional sources of revenue. Such trust fund accounts are for many different purposes, and may result from (i) money that must be accounted for in connection with internal "housekeeping" activities, (ii) deliberations and collective action by some UN inter-governmental body, or (iii) individual negotiations between some part of the UN secretariat and individual Member or non-Member States (or private organizations). This trend toward voluntary contributions in the form of trust funds can be attributed to the greater flexibility in their use, speedier implementation, and to the attractiveness of the hybrid bilateral type programme executed by UN organizational units which permit the donor to enjoy "the best of both worlds".

4. This report is primarily concerned with trust funds of the United Nations as described above, and as identified in Schedules 9 and 36 of a document entitled "Accounts for the Year Ended 31 December 1970". This document is issued by the Office of the Controller and is included in the annual publication of the UN called Financial Report and Accounts and Report of the Board of Auditors. These schedules reveal a total amount of new money received for trust funds in 1970 of over $60,000,000, or nearly double the total for 1965. About 250 trust funds are involved. Some of these funds are administered by the UNDP, and the rest by the United Nations (including the regional economic commissions, UNCTAD and UNIDO). About 87% of this new money in 1970 was made available to the dozen largest trust funds.

5. There are also substantial voluntary contributions resulting from negotiations between a UN organizational unit and Member or non-Member States, which are not formally set up as trust funds, although they may make an important contribution to the resources of some particular programme or project. Usually such contributions do not involve a physical transfer of funds to the UN, but are made "in kind", and may involve little more than bringing a bilateral programme under the sponsorship or support of some UN organizational unit. No generally-accepted name has been assigned to the above category of voluntary contributions. In this report they will be referred to as "non-monetary contributions". Although this report is concerned primarily with "trust funds", these "non-monetary contributions" will also be discussed, but not in detail because of the lack of precise information on such contributions.

* "UN organizational unit" in this Report refers to major organizational units within the UN, usually with its own inter-governmental body. Examples would be UNIDO, ECLA, and UNCTAD; and also ESA.
6. After spending several months in reviewing UN trust funds and non-monetary contributions, discussions were held with officials in IAEA, FAO, ILO and WHO for purposes of comparing their experience with that of the UN. Generally speaking, it was found that these Agencies had moved further than the UN in the direction of integrating trust fund activities with other programmes and with their regular budgets, and there was a more detailed disclosure of trust fund activities to inter-governmental bodies. Trust funds in these Agencies were not the subject of any detailed inquiry so that this report is addressed primarily to the United Nations. At the same time, some of the recommendations concern the whole UN family, and will require consultations and coordination among its members.

7. I am grateful to the many individuals in the UN and UNDP who gave generously of their time and helped to illuminate many dark corners of the subject of trust funds. It is hoped that this study may encourage others to dig more deeply into the many important facets of this rapidly growing source of financing.
SUMMARY OF RECOMMENDATIONS

1. The CCAQ working party established to review the financial regulations of the members of AGO and prepare commonly agreed texts for the approval of CCAQ and ACC, should include a clarification of the meaning of trust funds and related terms in the preparation of agreed texts. (See Chapter I.)

2. The United Nations Board of Auditors, working in close collaboration with the Office of the Controller, should review the accounting problems raised in Chapter II of this Report as part of its programme for placing increased emphasis on trust funds in future audits. (See Chapter II.)

3. The CCAQ should take appropriate steps to obtain agreement on uniform classes and categories of trust funds and non-monetary contributions by the various members of the ACC. (See Chapter II.)

4. The General Assembly should approve in principle a move toward placing the UN budget on a "gross and net" basis. (See Chapter III.)

5. Appropriate steps should be taken by ACC to insure that technical assistance-type projects financed by trust funds for implementation in developing countries are properly coordinated with UNDP-supported projects in these countries. (See Chapter III.)

6. Requests for changes in established posts in the UN Budget Estimates should include pertinent data and explanations of other posts financed from trust funds and non-monetary contributions. (See Chapter III.)

7. The General Assembly should be asked to establish a % of total posts financed from extra-budgetary resources for which continuing appointments could be made. (See Chapter IV.)

8. Only the recruitment of personnel for continuing appointments should be required to go through regular channels. (See Chapter VI.)

9. In its next review of the Geneva office, AMS should include a comparative study of centralized and decentralized financial control of trust funds in Geneva and Vienna, respectively. (See Chapter IV.)

10. ECOSOC Resolution 1434 (XLVII) and General Assembly Resolutions 2511 and 2514 (XXIV) should be amended to provide for coordination of the revised procedures for UN Technical Programmes with comparable procedures for trust funds and non-monetary contributions. (See Chapter IV.)

11. Trust funds for security forces and peacekeeping missions should be shown as extra-budgetary resources in Section 17 - Special Missions, of the UN Budget Estimates. (See Chapter IV.)

12. Special care should be exercised to insure a continuation of the present policy of using trust funds only for projects and programmes independently agreed to by UN organizational units and developing countries, not for projects and programmes dictated by the donor as a condition for making a contribution. (See Chapter VI.)
13. Focal points should be established in UNDP Headquarters and in the Department of Economic and Social Affairs in New York for coordinating the administration of trust funds; and appropriate steps should be taken to insure that proposed trust funds in the technical assistance class are checked out with the UNDP Resident Representatives. (See Chapter V.)

14. Proper safeguards should be maintained to insure that technical assistance-type trust funds and non-monetary contributions which are in fact bilateral programmes designed to promote bilateral trade or sell certain machinery and equipment to a developing country, or to achieve political objectives of the donor country under the banner of the United Nations, are not accepted. (See Chapter V.)

15. The ACC should initiate the development of a system for overhead costs of trust funds and non-monetary contributions which would be consistent with and related to the new system being developed for Agency Overhead Costs for Programmes Financed by the UNDP. (See Chapter V.)
CHAPTER I

Definitions

Problem

8. The UN Financial Regulations and Rules have some rather precise guidelines for trust funds, grants, voluntary contributions both in cash and in kind, etc., but there are no definitions for these terms and in practice they are sometimes used interchangeably. This lack of precise definitions has led to some confusion in applying the Financial Regulations and Rules, even among the experts in the financial area. Also, a general agreement on the meaning of trust funds and related terms would appear to be the first step in achieving a broader and more accurate understanding of trust funds in the UN, as well as in the whole UN family.

Discussion

9. When this inspection was started, my first step was to ascertain the precise meaning of trust funds. It was rather surprising to find that the Financial Regulations and Rules refer to "trust funds, reserves and special accounts" in Regulations 6.6 and 6.7, and Rules 106.2 and 106.3, but do not define these terms. Rule 107.5 entitled "acceptance of grants", refers to "establishment of any trust fund or receipt of any grant", but does not explain the difference between a trust fund and a grant. I consulted the Office of Legal Affairs, but was advised that it had never been asked to prepare a definition of "trust funds" because these words have no particular legal significance as used by the United Nations. Although there are extensive descriptions of trust funds in the Information Annexes of the UN Budget Estimates, and in document ST/ADK/L.4 (Budgetary and Financial Practices of the United Nations), they include no definition of this term.

10. The only definition of trust funds I could find in any UN document was that prepared by the Consultative Committee on Administrative Questions, entitled Glossary of Financial and Budgetary Terms (CCAQ/SEC/119(FB)), dated July 1970. Its definition of "trust funds" is as follows:

"Funds which are accepted by the organization under the terms of its financial regulations to finance extra-budgetary activities specified by the contributor."

11. This definition is not sufficiently precise. For example, does it cover contributions both in cash and in kind? Does it include funds received without accountability being required to contributors?

12. The definition of "grants", found elsewhere in the CCAQ document, is not very helpful. It is as follows:

"Money or property given to or by the organization in support of one or more activities."
13. This definition certainly does not help us to distinguish clearly between a "trust fund" and a "grant" as these terms are used in the Financial Regulations and Rules. Discussions with representatives of other members of the UN family (IAE, FAO, ILO, and WHO), indicated that they had not had occasion to really come to grips with the matters discussed above. However, when the Chief Accountant of the UN in New York reports, for example, that as of 31 December 1970, cash at banks and on hand for Trust Funds totals $4,339,393, it is perfectly clear that he and those UN employees responsible to him have a very precise understanding of what they consider to be trust funds.

14. As I dug more deeply into this matter, it became clear that the terms "extra-budgetary", "voluntary contributions", "special accounts", "reserves", "trust funds", and "grants" were often used interchangeably. There was agreement, however, that "regular budget" usually referred to the budget financed from assessed contributions; all other contributions were very frequently lumped together under the heading "extra-budgetary", and voluntary contributions with acceptable conditions but without a purpose being specified were usually shown as gifts under miscellaneous income.

15. The Office of the Controller in New York has pointed out some practical difficulties with respect to voluntary contributions "in kind". It is true that Financial Regulations 7.2 and 7.3 cover "Voluntary Contributions, whether or not in cash ...". However, voluntary contributions in kind may vary all the way from personnel working full time on a UN activity, to a rather vague advisory relationship to what is in fact just a bilateral programme of a member nation. Just how do you determine when the relationship is close enough to be considered a "voluntary contribution" to the UN? Fortunately, such an issue arises rather infrequently.

16. A review of the files also indicates that from time to time an official in a regional commission for example, will protest that the Controller in New York should not worry about "grants" and "contributions in kind" if the inter-governmental body of the Commission encouraged regional commission officials to seek such additional resources. This experience suggests that the UN Financial Regulations and Rules might be even more explicit on this point.

17. Particularly because of the transfer of trust funds between members of the UN family, it would be helpful if agreement was reached on precise definitions within the whole UN family. I have in mind such items as the assignment of many FAO experts to ECA on an "in kind" basis, the transfer of reimbursements for overhead costs by UNDP to executing Agencies, the transfer of UNDP Special Fund money from the principal executing agency for a project to a participating Agency, etc.

18. Below are presented several definitions of terms as used in this report. These definitions are also presented as suggestive of what might eventually be adopted jointly by the whole UN family:

(a) Trust Funds include all voluntary contributions for specific purposes which involve an actual transfer of cash to the United Nations, and which are reported to the General Assembly by the Secretary-General. (Trust funds thus exclude voluntary contributions to UNICEF, UNRWA, Voluntary Funds of UNHCR, UN Joint Staff Pension Fund, Central and Consolidated Accounts of UNDP, and UN Institute for Training and Research, all of whose activities are reported directly to the General Assembly.)
(b) **Non-Monetary Contributions** include all voluntary contributions for specific purposes, other than in cash, to an organizational unit of the United Nations for activities which are reported to the General Assembly by the Secretary-General.

(c) The term **Grants** would be dropped from the Financial Regulations and Rules. This term has been used in certain parts of the UN to include voluntary contributions in cash for specific purposes for which no formal accounting had to be made to the donor. As I see it, such funds must come under the Financial Regulations and Rules regardless of whether there is a formal accounting to the donor. I have been unable to think of any good reason for not including such contributions under the term **Trust Funds**, both from a fiscal and from a programming point of view.

(d) The term **Special Accounts** is not used in this report. Perhaps it cannot be dropped altogether, but should be used very sparingly for "headquarters-type" accounts such as the Working Capital Fund and United Nations Bond Account.

19. The CCAQ secretariat has made a "Comparative Study of the Financial Regulations of the Organizations in the UN System" (CCAQ/SEC/171/CFB) dated 30 April 1971. This led to the following decision by the CCAQ as indicated in paragraph 38 of the Report on its 24th Session (Co-ordination/R.903 dated 12 October 1971):

"38. CCAQ decided to establish a standing working party, whose task it would be to review financial regulations with a view to presenting commonly agreed texts for approval by the CCAQ and ACC."

**Recommendation**

20. It is recommended that the CCAQ working party include in its preparation of agreed texts a clarification of the meaning of trust funds and related terms.
CHAPTER II

Categories of Trust Funds

Problem

21. The different categories of trust funds shown in Schedule 9 of the UN Accounts for 31 December 1970 are oriented primarily by purpose, whereas the categories in Schedule 36 are oriented partly by source of funds and partly by executing agency. The relationships between the different categories of trust funds shown in Schedule 9 and Schedule 36 require a lot of study before they become clear. An inspection of the trust fund categories used in the tables of the various specialised agencies suggests that no attempt has been made to standardize these categories between different members of the UN family.

Discussion

22. After much discussion of this problem, and several attempts to apply alternative groupings to trust funds, it was concluded that they should be divided into three broad classes, namely "headquarters", "technical assistance", and "special operations". Headquarters-type trust funds supplement those funds of the regular UN budget used for such activities. Technical assistance-type trust funds supplement funds included in Part VI - Technical Programmes - of the regular UN budget, and funds provided to executing Agencies by UNDP for assistance to developing countries.

23. Special operations-type trust funds differ from headquarters and technical assistance-type trust funds in two fundamental respects. First, they are administered not by a regular UN organizational unit, but by an ad hoc unit assembled just to administer the activity financed by such a trust fund. Second, the purpose of the trust fund is unique: it is not to finance part of an Agency's regular Headquarters or country programme. For example, the current UN programme for refugees in East Pakistan is "run from the 38th floor" in New York, and staffed with personnel borrowed or recruited from many sources hastily pulled together for this particular purpose. The programme itself is not part of a larger programme already in existence. As another example, the implementation of the trust fund for West Irian (part of Indonesia) was staffed by a special group located in the Headquarters of UNDP and in West Irian, but was not coordinated with the rest of the UNDP Headquarters staff nor with the UNDP Resident Representative in the capital of Indonesia. The programme carried out in West Irian was developed independently of UNDP activities elsewhere in Indonesia about 7 years ago. It is now going through a transition period, and some time this year it is anticipated that the West Irian programme will be fully integrated into the UNDP activities for Indonesia and its funding will no longer qualify as a "special operations" type trust fund.
23a. Special operations-type trust funds used for security forces have an additional unique aspect. Expenditures may not be kept within the limits of what is available. Those countries contributing military forces may be reimbursed by a trust fund for only part of the expenses of their troops, because the voluntary contributions to the fund were less than the total expenses involved. However, the interest of the country involved in the peacekeeping operation is usually such that it does not withdraw its forces even though its expenses may never be fully reimbursed by the United Nations. Special operations-type trust funds are used, inter alia, for the financing of (1) assistance in cases of natural disaster, (2) security forces or missions for peacekeeping purposes, and (3) rehabilitation and reconstruction after natural disasters and security situations.

24. Once the three broad classes of trust funds had been identified, it did not prove to be too difficult to develop a logical grouping of Headquarters and of Technical assistance trust funds into several categories. This class and category structure was tested using UN trust funds for the years 1960, 1965, and 1970. A summary of the results are shown in the following table:

<table>
<thead>
<tr>
<th>Class and Category</th>
<th>Voluntary Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1960</td>
</tr>
<tr>
<td><strong>Headquarters</strong></td>
<td></td>
</tr>
<tr>
<td>Overhead (UNDP and trust funds)</td>
<td>160,400</td>
</tr>
<tr>
<td>Regional Economic Commissions</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>355,294</td>
</tr>
<tr>
<td><strong>Technical Assistance</strong></td>
<td></td>
</tr>
<tr>
<td>Single donor-recipient Government</td>
<td>464,415</td>
</tr>
<tr>
<td>Single donor-external source</td>
<td>148,832</td>
</tr>
<tr>
<td>Multiple donors</td>
<td></td>
</tr>
<tr>
<td>Associate experts</td>
<td>54,150</td>
</tr>
<tr>
<td>Special Operations</td>
<td>11,177,049</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>$12,360,140</td>
</tr>
</tbody>
</table>

25. The above table discloses some very significant trends in the different categories of trust funds. The individual trust funds included in the different categories are presented in Annex A, and are based on the UN publication entitled Financial Report and Accounts and Report of the Board of Auditors for the years 1960, 1965, and 1970. The definitions of the classes and categories are presented below.

**Headquarters**

26. A number of trust funds and non-monetary contributions are in effect supplements to assessed contributions for headquarters expenses of the various UN organizational units. Such supplements would be classified under the general heading "headquarters". The several categories of trust funds under this heading are defined as follows:
(a) **Overhead Costs.** The United Nations, including UNIDO and UNCTAD, receive reimbursements for overhead costs for UNDP financed programmes and for trust funds. In the past, such reimbursements in respect of UNDP financed TA projects were treated by the United Nations as a lump sum to general income, and only reimbursements in respect of SF projects were held in trust accounts. In the future, however, with the coming into effect of the new UNDP programming procedures, the distinction between TA and SF projects is abolished and all UNDP reimbursements will be held in separate trust accounts.

(b) **Regional Economic Commissions** are receiving a growing number of voluntary contributions by individual donor Governments and private sources, which have been accepted by the United Nations at the discretion of the Secretary-General, to finance personnel for the staff of the Commissions, and for various Commission projects.

(c) **Research.** Voluntary contributions have been received for research activities in UN Headquarters at New York and Geneva, as well as in separate research institutes.

(d) **Miscellaneous.** There are a number of miscellaneous voluntary contributions for UN Headquarters activities such as libraries, a school, reserves for health and life insurance, a museum, a commissary, etc.

**Technical Assistance**

27. Many trust funds and non-monetary contributions supplement the financing of operating programmes by UNDP and the "technical programme" funds included in the regular UN budget. These trust funds and non-monetary contributions are classified under the general heading "technical assistance", and may be used in both developed and developing countries. The several categories under this heading are defined as follows:

(a) **Single Donor—recipient Government.** A recipient Government requests technical assistance supplementary to what it receives through normal UN programmes, and pays all costs of such assistance, including a percentage payment for overhead expenses.

(b) **Single Donor—external source.** A voluntary contribution by an individual donor Government or private source, is accepted by the United Nations, at the discretion of the Secretary-General, to finance a technical assistance project.

(c) **Multiple Donors.** A UN inter-governmental body approves a new technical assistance programme for specified purposes, and requests the Secretary-General to seek voluntary contributions to pay for it.
(d) **Associate Experts.** A donor Government contributes the full operational cost, plus a percentage payment towards the costs of administration, of supplying additional technical assistance in the form of junior experts to a recipient Government.

**Special Operations**

28. Only the United Nations has trust funds in the "special operations" class. Such funds normally result from resolutions and decisions of the General Assembly or the Security Council. The objectives would include assistance in cases of natural disaster, security forces or missions for peacekeeping purposes, and rehabilitation and reconstruction after natural disasters or security situations. They are administered by ad hoc units established just for special operations trust funds.

28a. A breakdown of special operations trust funds into categories would not appear to be justified, because so few funds are involved (5 in 1970).

29. With the full cooperation of the Controller in New York, I attempted to determine if the trust fund table for 1960, 1965 and 1970 covered all trust funds for those periods. Also, I wanted to get some idea of the magnitude of non-monetary contributions which were not included in the UN accounts in New York. This part of the inspection raised certain questions which should be explored further by the UN Board of Auditors in collaboration with the Office of the Controller. The following observations and facts are examples of what I have in mind, based on a comparison of Schedules 9 and 36 of the New York accounts for 31 December, 1970, with letters received by the Controller from UN organizational units regarding their total extra-budgetary resources:

(a) In view of Financial Regulation 7.2 (which I strongly support), should not the Office of the Controller maintain a reasonably complete, formal, set of records on voluntary contributions in kind?

(b) On 13 July, 1970, the Office of the Controller approved the new Ports Project trust fund of UNCTAD. Contributions received in 1970 totaled $99,719. This account was not shown in either Schedule 9 or 36 of the UN accounts as of 31 December, 1970.

(c) Up to the present time, only overhead cost reimbursements for Special Fund Projects have been shown as trust accounts, reimbursements for UNDP-financed TA-projects being transferred as a lump sum to general income. It is understood that either on 1 January, 1972, or 1 January, 1973, TA reimbursements will be handled in the same manner as SF projects and should then be included in the UN Overhead Trust Accounts.

(d) Most of the records of the Geneva office for the UN Philatelic Museum trust fund bear no resemblance to the records in New York for 1970. For example, additional income is shown as $11,719 in Geneva and as $172,193 in New York. However, both accounts show expenditures of $6,026.
(e) The Geneva Office reported 4 trust funds
(Seminar on International Law; Oceans Publications, Inc.;
Social Affairs Project; and Catering Service) that are
not listed as trust funds in New York.

(f) The records of UNESOB in Beirut showed an
expenditure of $6,904.30 in 1970 from the Saudi
Arabia trust fund, but the records in New York
showed $6,871.00.

(g) Records of EGA show grants and other bilateral
arrangements in 1970 totaling $839,644.00, only a few
of which appear in Schedules 9 and 36 of the accounts
as of 31 December 1970 prepared by the Office of the
Controller in New York.

(h) The ECLA records of the amount or value of funds
for 1970 differ from the records in New York for a
number of trust funds, as follows:

<table>
<thead>
<tr>
<th>Trust Fund</th>
<th>New York Schedule 36</th>
<th>Letter from ECLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>LA Automobile Industry</td>
<td>$ 28,729</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>Port Facilities - Bolivia</td>
<td>8,405</td>
<td>8,000</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>21,950</td>
<td>18,000</td>
</tr>
<tr>
<td>ECLA sub-office</td>
<td>32,488</td>
<td>32,295</td>
</tr>
</tbody>
</table>

30. Various explanations of the discrepancies noted above have been
received, including a lack of firm agreement between the Office of
the Controller in New York and the various UN organizational units
on definitions, and on what should be reported.

Recommendations

31. It is understood that the United Nations Board of Auditors
is going to devote a lot more attention to trust funds in the future.
It is recommended that they look into the various accounting matters
raised in this Chapter, in close cooperation with the Office of the
Controller (which shares my concern about the kinds of problems and
issues raised above).

32. It is recommended that the CCAQ take appropriate steps to
encourage the adoption of uniform classes and categories of trust
funds and non-monetary contributions by the various members of the
ACC.
CHAPTER III

Attitude Toward Trust Funds

Problem
33. There has never been a general discussion of the merits of trust funds in the General Assembly, in ECOSOC, or in ACC, in spite of the large amounts of money involved in such funds in the UN and in several of the specialized agencies. During the present transition from a rather ad hoc to a more formalized approach to trust funds, a clear indication of the attitude of Member States toward these voluntary contributions might be helpful.

Discussion
34. The General Assembly has approved the Financial Regulations and Rules of the United Nations, which include provisions that the Secretary-General can accept voluntary contributions "whether or not in cash" if consistent with the policies, aims and activities of the United Nations, "provided that the acceptance of such contributions which directly or indirectly involve additional financial liability for the Organization shall require the consent of the appropriate authority ..." (Regulation 7.2). Thus it is clear that the General Assembly has authorized the Secretary-General to accept trust funds in addition to those trust funds specifically authorized by resolutions of the General Assembly and decisions of the Security Council, provided that they are consistent with the policies, aims and activities of the United Nations.

35. Since the General Assembly has authorized the Secretary-General to accept trust funds and non-monetary contributions, it follows that he must present an accounting to the General Assembly for the management and use of such funds. Such accounting is made periodically in the form of accounting tables, and information annexes to the UN budget estimates. There are important opportunities for increasing the accuracy and completeness of this accounting as noted in Chapters I and II of this report. However, Member States have made it clear that they have very little interest in this historical data. The information is rather difficult to understand for those readers without special knowledge of accounting and budgetary matters. Of perhaps more fundamental importance, Member States are far more interested in what is being proposed for next year than what happened last year. However, the present UN budget process does not produce any projections of trust fund expenditures.

36. Is there a sound rationale for the total lack of control over trust fund expenditures by the General Assembly? How can you justify expenditures of over $60,000,000 in 1970 by the UN secretariat without any advance approval of expenditure levels, i.e. of only ex post facto reporting? After all, just who is responsible to the voluntary contributors of these funds for their management and use?
37. If all trust funds were for purposes entirely separate from uses made of assessed contributions, for example, then a rationale for the present situation might be developed. However, in practice many trust funds supplement assessed contributions, and may be used for jointly financing a given activity.

38. In seeking an answer to the situation presented above, it seems to me that there are some very practical considerations involved. The Fifth Committee and the ACABQ would simply be overwhelmed by a budget submission involving a review of several hundred trust funds. The increased administrative costs of such a budget would be difficult to justify. Last but not least, if trust funds were put through the full budgetary process before implementation, including seeking advance spending authority by the General Assembly, then most of the present advantages of trust funds discussed in Chapter VI of this report would simply disappear.

**Gross and Net Basis for Budgeting**

39. Is there a middle ground? It seems to me there is, through adoption of the "gross and net" basis for budgeting, the General Assembly being required to vote only on the net amount. For example, total resources of the United Nations for 1973, including all trust funds and non-monetary contributions, might be estimated at $270,000,000, and the UN estimates would be built to that total. These budget estimates would show that of the $270,000,000 gross budget, the net budget to be financed from assessed contributions would be (e.g.) $200,000,000. The General Assembly would vote on only the net amount of $200,000,000, no advance spending authority being required for the trust funds included in the gross figure.

40. The above proposal is not new. The general idea of presenting budget data on regular and extra-budgetary resources, including posts, in a more integrated way has been supported in the past by the Secretary-General. It is suggested that preparation of such a presentation might involve the following:

1. Trust funds such as for Population which were delegated by the Secretary-General to the UNDP Administrator for implementation, would be excluded as such from the presentation. Projects financed by such trust funds for which UN organizational units were executing agents, would however be included.

2. Trust funds classified as Technical Assistance would be included in that part of the UN budget estimates entitled "Technical Programmes". Headquarters-type trust funds would be shown in appropriate parts of the UN budget estimates, and a new section might have to be established for at least part of the Special Operations-type trust funds.

3. Data on past expenditures - actual and estimated - now shown in the UN budget estimates for assessed contributions would be expanded to show comparable data for extra-budgetary resources. Such data for Technical Assistance-type trust funds would be shown only in summary by those categories proposed in Chapter II of this Report.
4. Expenditure estimates for trust funds for the next fiscal period would be made only by the broad classes and categories of trust funds proposed in Chapter II.

5. Certain more detailed trust fund information that might be included in the UN budget presentation is discussed in Chapter IV of this Report.

41. The adoption of a gross and net basis for budget estimates will enable the ACABQ and the Fifth Committee of the General Assembly to review all proposed activities of the UN, and "in context" in whatever detail it was found to be practical. The purpose usually would not be to facilitate the review of trust funds as such, but facilitate a more intelligent review of proposed assessed contribution expenditures which are closely related to projected trust fund expenditures. (See further discussion in Chapter IV.)

42. The objection will be raised that the preparation of a gross budget is not practicable because it is not possible to forecast the availability of trust funds. I have examined this question in some detail, and am persuaded that reasonably accurate forecasts of trust fund expenditures can be made by broad categories with the possible exception of special operation-type trust funds in their initial stages. In reaching this conclusion, I have been impressed with a trend towards regularization of total trust fund contributions by some important Member States to various parts of the UN family, by the predictability of total reimbursements by UNDP and from trust funds for overhead costs, and by the predictability of major resolutions involving trust funds in the General Assembly. Furthermore, it simply is not possible today to develop a budget on a "net" basis without having in mind at least rough estimates of future extra budgetary resources. For example, you cannot ignore the presence of several hundred people in New York headquarters financed by trust funds in working out budget estimates for common services on a net basis.

43. Recommendations in the following chapters of this report are consistent with the assumption that the General Assembly favours a move toward a gross and net basis for budget estimates.

44. In addition to the major question discussed above, I have explored certain other important criticisms with many informed people, and have summarized my findings below.

Reduction of collective responsibility, fragmentation of programmes

45. A major criticism of trust funds is that if they become very large, the net result will be that UN programmes will be badly fragmented, and consist largely of a series of separate projects whose objectives have been determined in an ad hoc manner. Also, it is emphasized that the very widespread use of trust funds necessarily involves a decentralization of decision-making and hence a lack of that collective responsibility which is one of the corner-stones of the United Nations.

46. At the beginning of this inspection I was very concerned about these criticisms. However, I am now persuaded that they are not of major importance.
47. Most of the larger trust funds (Multiple Donor category) result from extended discussions in ECOSOC and/or the General Assembly. Thus there is collective responsibility for the objectives and conditions of such trust funds. Furthermore, in the implementation of these trust funds the individual projects or programmes are agreed to with officials of the developing countries involved as being consistent with those countries' development programmes, and are normally cleared with the Agency's Country Representative or the UNDP Resident Representative. Thus these trust funds in fact help implement country programmes already in existence, and are not used to finance a series of ad hoc projects separate from the official development programmes.

48. A similar conclusion was reached in the case of trust funds contributed by individual countries or private organizations, almost without exception, UN officials took the initiative to seek such trust funds. These officials would then present proposed projects or programmes to be financed from such funds to the donors for approval. These projects and programmes would be included in the UN organizational units' overall programme developed jointly with officials of developing countries, that were not yet financed: they were not a series of ad hoc projects dictated by the donors. After approval by the donors, the proposed projects and programmes were forwarded for review and approval by the local Government. Thus only sources of funding, not the programmes, are fragmented.

49. The availability of trust funds may cause some shifts of priorities in implementing country programmes, as for example for population projects. There is no inherent reason, however, why it should result in fragmentation of country programmes so long as the various members of the UN family continue to support the idea of country programming.

Weakening of UNDP

50. If Member States, particularly those who have accepted the goal of foreign assistance equal to at least 1% of their GNP, have extra money to spend, why not increase their pledges to UNDP rather than finance a lot of small, competing trust funds? It should be more efficient to administer one large, streamlined fund for foreign aid, rather than a series of funds which increase overhead costs, and complicate the problem of country programming and establishment of priorities. On the surface, it looks as if an expansion of trust funds represents a move in the opposite direction from which the UNDP Governing Council wants to move as a result of the discussion stimulated by the Capacity Study.

51. A quick answer to the above criticism is that if part of the contributions for the UN family are channelled through trust funds for programmes and projects currently very popular with some of the larger donors, the total amount of money collected will be substantially greater than if money is collected for a single large fund. Furthermore, Member States are rather frustrated by the lack of capacity for change within the UN - by the obstacles they face in trying to influence the use of funds of the UNDP programme for those programmes and projects which they consider of unusual importance. They would like to participate more directly in planning the use of money they contribute to the UN, and are willing to increase their total contributions if it is for items of particular interest to them (and for which their
country will get some useful publicity). In other words, they gain some of the advantages inherent in bilateral aid programmes, but without some of the political risks and the costly necessity to expand their Embassies around the world. A 14% overhead contribution to the UN is much more attractive than an overhead cost of as much as 100% for their own bilateral programme.

52. These trust funds also provide executing agencies of UNDP with a means of getting around some of the inflexibility of UNDP programmes. For example, UNIDO feels that it is important to undertake certain activities in connection with European trade fairs, but UNDP funds can be used only in developing countries. Similarly, the Netherlands was anxious to help expand economic research and planning at the headquarters of various UN organizations, but UNDP funds were not available for such purposes. Also, trust funds have provided a means, in some cases, to move much more quickly in emergency situations than could be done under UNDP rules, although during the past year certain important steps have been taken to speed up UNDP actions (elimination of individual project approvals by Governing Council, delegation of authority to Resident Representative to approve projects up to a certain amount of money, etc.).

53. Trust funds are also popular with executing agencies of the UNDP because they permit more attention to certain activities (social and cultural projects, regional seminars, etc.) on which they often place a higher priority than UNDP Headquarters. Perhaps this is another way of saying they do not like to feel quite so dependent on UNDP.

54. Although I feel that most criticism of trust funds in terms of weakening the UNDP will not stand close scrutiny, I am concerned that not all of the executing agencies for trust funds in the technical assistance class are reviewing proposed trust funds with UNDP Resident Representatives. Some officials in UNDP Headquarters felt that UNDP and trust fund projects were not being properly coordinated at the country level. I was not in a position to explore this problem in depth during this survey, but got the definite impression that the degree of coordination varied considerably by executing agency.

55. Trust funds contributed by recipient countries were identified as Single Donor-recipient country in Chapter II above. Back in the 1950's these were the first trust funds established. During the past 10 years, about 20 developing countries each year pay for one or more technical assistance projects carried out by the UN within their own borders. About two-thirds of these projects are for 4 developing countries who are large oil producers, and the others are small projects supplementing regular TA programmes. I have heard of no inherent objections to these trust funds. The total sums of money used for such funds have dropped sharply during the past five years, but apparently not because of objections within the UN to such financing.
56. A number of trust funds have been established in various parts of the "assessed contributions world", i.e. in Headquarters, to finance technical assistance-type economic and social activities. Since UNDP funds are not available for projects at the headquarters of the various UN organizational units, additional resources in the form of trust funds and non-monetary contributions have been actively sought for such purposes. For example, ECLA, ECA, and ECAF have had very little success in obtaining UNDP funds, are anxious to expand their activities in spite of fiscal and other restraints exercised by Headquarters in New York, and have found a way out through aggressively seeking trust funds and non-monetary contributions (particularly ECA). Similarly, trust funds are being used to finance certain research type operations-oriented headquarters activities in New York and Europe because UNDP funds are to be used almost entirely in developing countries. There does not appear to be anything inherently wrong with such trust funds, provided they are not used just as a means of escaping fiscal controls imposed on the regular budget financed by assessed contributions.

57. Programmes financed by assessed contributions should not be disrupted through the necessity of diverting part of such funds to backstopping UNDP and trust fund field programmes. Thus there is a sound reason for Overhead Trust Funds to provide reimbursement of overhead costs for UNDP and trust fund programmes. Although in principle these reimbursements are sound, in practice they raise many technical problems. (See para. 105.)

58. Finally, there are a number of trust funds established in connection with "housekeeping" activities and other internal matters, contributions for health insurance, funds for a commissary, contributions for an international school, etc. Such accounts may be called trust funds, reserves, or special accounts. In any event their establishment is essential to orderly financial controls, and they are considered non-controversial.

59. In summary, it is concluded that "trust funds and non-monetary contributions are here to stay", they form a useful and necessary supplement to more conventional sources of revenue, but are unusually vulnerable to abuse and must be carefully managed.

Recommendations

60. The General Assembly should approve in principle a move toward placing the UN budget on a "gross and net" basis.

61. Appropriate steps should be taken by ACC to insure that technical assistance-type projects financed by trust funds for implementation in developing countries are properly coordinated with UNDP-supported projects in these countries.
CHAPTER IV

UN Budget

Problem

62. It is becoming increasingly unrealistic to attempt to review or understand the UN regular budget estimates without bringing the "extra-budgetary" resources fully into the picture. The UN Controller has included more and more detailed information annexes on trust funds with the UN Budget Estimates, but no-one seems to pay much attention to these annexes.

Discussion

63. In the early part of Chapter III, the general question was raised as to whether the UN budget should be placed on a "gross and net" basis, rather than just on a net basis as at present. In this Chapter, some of the practical problems faced in preparing and administering a budget on a net basis, and handling large amounts of "extra-budgetary" resources separately, are reviewed in some detail. This review is followed by several recommendations pointing towards budget estimates prepared on a gross and net basis.

64. Central control of all voluntary contributions? Is it necessarily true that UN organizational units are equally responsible to Secretary-General and the General Assembly for all resources available to them? Or can they accept and use certain kinds of resources approved by their own inter-governmental body for which they are not accountable to New York Headquarters and the General Assembly? Some UN officials feel rather strongly that if non-monetary contributions and "grants" are approved by the UN organizational units' own inter-governmental body, there is no reason why the Controller in New York or the General Assembly should concern themselves with such extra-budgetary resources.

65. I discussed the above situation with four members of the UN family outside the UN itself, and each of them made it clear that "no one in their organization could get away with such a thing". Although the Controller in New York has tried to get at least most extra-budgetary resources under reasonable control, it is certainly true that some UN organizational units continue to try to by-pass the Controller for certain kinds of contributions, leading to embarrassing situations such as this: the UN budget examiner raises questions about a requested increase in the regular budget. The official requesting the increase finally says: "All right. I'll withdraw the request. I know where I can get the money for it."

66. On the other hand, I have inspected many trust funds that provided needed funds not available elsewhere for very desirable programmes. The point I am making is that trust funds and non-monetary contributions are vulnerable to abuse unless subject to some central control.
67. The UN Financial Regulations and Rules provide very specifically that all voluntary contributions, whether in cash or in kind, are under the central financial control of the Controller or the Secretary-General's representative. After listening to a lot of arguments pro and con on this point, I am persuaded that no exceptions should be made on this matter. If anything, the language should be strengthened in the Financial Regulations and Rules.

68. Control of Funds. The UN Controller in New York has maintained central control over most UN trust funds simply by controlling the cash and issuing allotments. This type of control can be justified by the following considerations:

(a) Reporting to General Assembly. The Controller has ultimate responsibility for accounting and reporting to the General Assembly on all trust funds. (See definition of UN trust funds in para 18a.)

(b) Reporting to Controller. The issuance of allotments by the Controller simplifies the whole accounting procedure and eliminates the need for any special account reporting by (e.g.) Geneva.

(c) Handling of cash. The handling of cash balances, including short term investments, requires a great deal of specialized skill, particularly because of the unstable international monetary situation in recent years. With the help of special advisors, the UN Controller now has available a level of expertise in this field not matched elsewhere in the UN.

(d) UN financial situation. Because of the necessity to borrow from various cash balances to meet the UN payroll on certain dates, it is essential for the UN Controller to have direct access to as many bank balances as possible, including those for trust funds.

69. In spite of the impressive arguments favouring highly centralized control of funds, as presented above, it is noted that the UN Controller has agreed to a decentralization of control of funds to UNIDO, including control of receipts of contributions, operation of bank accounts and disbursements. He is, however, periodically informed on the status of all accounts, and retains ultimate control. This decentralized arrangement appears to be working reasonably well. A comparable decentralization of control of funds has not been made to Geneva.

70. The record shows that either arrangement can be made to work. From the accounting point of view the issue of allotments by the UN Controller is certainly the simplest procedure. From the "operator's" point of view, decentralization of control to him is preferred.

71. The arguments in favour of decentralization probably include the following:

(a) The operator (e.g. UNIDO) has the specialized knowledge for executing the projects.
(b) Particularly in the case of trust funds, relationships between the operator and individual donors become very close, so that the presence of intermediaries can be awkward.

(c) Those controlling the allotment procedures centrally may use their authority to inject themselves rather deeply into the management of a programme. Also, delays in allotting funds may hold up programme implementation.

72. I did not find existence of serious problems at this time in implementing trust funds in Geneva because of centralized control of trust funds in New York. As the volume of UN trust funds handled by UN activities in Geneva increases, however, I think this situation deserves a further review. During the recent AMS review of UN activities in Geneva, concern was expressed about the general problem of further decentralization of authority and responsibility from New York to Geneva. It is proposed that the next time AMS makes a review of UN activities in Geneva, its work programme should include a comparative study of the centralized control of funds for Geneva and the decentralized control in effect for UNIDO in Vienna.

73. Relationship between Established Posts and Other Posts. Should the Member States and the ACABQ be satisfied with tables in the Budget Estimates which show only established posts and proposed increases in these posts without regard to extra-budgetary resources? If a given Division of a UN organizational unit has 20 established posts and an increase of 2 is requested, should the budget presentation show for example that there are already 10 other posts in this Division financed from infrastructure-type trust funds, and from in-kind contributions of a UN specialized Agency?

74. I checked with 4 specialised agencies to determine how they handled this matter. It was my impression that all of them were showing more information than the UN, but they seemed to feel that they were in a transition stage and would eventually have to tell the whole story "in the front of the book", rather than leave part of it buried in the annexes. There was no firm consensus, but I got the impression that the general direction of their thinking was in terms of an eventual arrangement on the following lines:

(a) The table showing established posts and requested increases would be expanded to show the present total number of posts financed from all extra-budgetary resources (in cash and in kind), and perhaps anticipated changes in such posts during the coming fiscal year.

(b) In the adjacent paragraphs requesting changes in established posts, the impact of posts financed from extra-budgetary resources on these requests would be explained when relevant.

(c) The act of approving a new established post would also authorize a continuing appointment. In addition, a determination would be made as to what % of the other posts could be filled with continuing appointments, recognizing that the future size of voluntary contributions might be more difficult to predict than assessed contributions. In other words, the appropriate inter-
governmental body might approve a policy of authorizing continuing appointments for not more than (e.g.) 30% of posts financed by voluntary contributions because of the greater uncertainty regarding their continuing at current or higher levels; the other 70% being filled with temporary (not indefinite) appointments. In practice, personnel might occupy any of the posts in the UN organization regardless of their particular type of appointment in order to achieve the necessary flexibility.

75. Objections raised to moving in the above direction often centred around the "impossibility" of forecasting future trust funds and non-monetary contributions. As noted earlier in this report, it is my observation that at least rough projections of Headquarters class trust funds are quite feasible, and in fact have to be made in connection with preparing a budget on a net basis.

76. A more disturbing objection is the observation that the Member Governments have paid little or no attention to voluminous data presented by the Secretary-General on extra budgetary resources, stating that such information is confusing and burdensome. I would agree with this objection to the information annexes attached to the UN budget estimates. However, in the above paragraphs, I am not talking about more and bigger annexes, but about simplified summary tables in the part of the budget document that brings budgetary and extra-budgetary data into proper relationships to each other.

77. It should be noted that if the UN budget is eventually put on a programme or performance basis, then the presentation would be in terms of total manpower resources, not compartmentalized posts.

78. Technical Assistance-type Trust Funds. The above discussion is relevant primarily to trust funds and non-monetary contributions included in the Headquarters class. Those trust funds and non-monetary contributions, which are included in the Technical Assistance class, can be used to finance the same kinds of activities as the Technical Programmes of the United Nations budget (see pp. 12-14 Part V, of the Budget Estimates for the year 1972). Section 13.3 and Section 13.4, p.13, Part V, present a summary of the new programming and budgetary procedures for these Technical Programmes as recommended by ECOSOC (Resolution 1434 (XLVII)), and approved by the General Assembly for those technical programmes other than those relating to industrial development (Resolutions 2511 and 2514 (XXIV)).

79. These resolutions providing for revised Technical Programmes procedures have the fundamental weakness of not providing for comparable procedures for those trust funds and non-monetary contributions in the technical assistance class.

80. It would appear to be desirable to show those Special Operations-type trust funds used to finance security forces and military missions as extra-budgetary resources in Section 17 - Special Missions, of the UN Budget Estimates. Then all of the Special Operations-type activities of the United Nations would be found in one place in the Budget Estimates.
Recommendations

81. Requests for changes in Established Posts in the UN Budget Estimates should include pertinent data and explanations of other posts financed from trust funds and non-monetary contributions.

82. The General Assembly should be asked to establish a % of total posts financed from extra-budgetary resources for which continuing appointments could be made.

83. In its next review of the Geneva office, the AMS should include a comparative study of the centralized financial control of these trust funds implemented by UN organizational units located in Geneva, and the decentralized financial control of those trust funds implemented by UNIDO in Vienna.

84. ECOSOC Resolution 1434 (XLVII) and General Assembly Resolutions 2511 and 2514 (XXIV) should be amended to provide for coordination of the revised procedures for UN Technical Programmes with comparable procedures for trust funds and non-monetary contributions.

85. Trust funds for security forces and peacekeeping missions should be shown as extra-budgetary resources in Section 17 - Special Missions, of the UN Budget Estimates.
CHAPTER V

Planning and Programming

Problem

86. When a proposed trust fund is received by the Controller in New York for approval, it is reviewed from the standpoint of the UN Financial Regulations and Rules. The Secretary-General is not also held responsible for a "substantive" review in depth, nor is anyone else in the UN Headquarters in New York. Some of the UN trust fund proposals may have had an adequate substantive review before reaching the Controller's office. Others have not. Should a more formal arrangement be adopted for insuring that all UN trust fund proposals have had an adequate substantive review?

Discussion

87. In different parts of the UN family, I sensed a definite trend toward the development of programmes, for both the "headquarters" and "technical assistance" types of activities covering all activities of the organizational unit, which were approved by the unit's inter-governmental body. In one or two cases the Agency involved had gone so far as to identify those parts of the programme presented to its inter-governmental body for approval, which it hoped to finance through trust funds. Thus no "substantive" review would be required in such cases when the proposed trust funds presented to the Agency's Controller for approval would finance items in its programme already approved by its inter-governmental body and earmarked for trust fund financing.

88. Such an ideal arrangement for substantive review of trust fund proposals is much easier to achieve in a comparatively homogenous specialized agency with a central programming office than in the United Nations itself with its semi-autonomous bodies such as UNIDO, UNCTAD, and the Regional Economic Commissions. In particular, the United Nations does not have a central planning and programming office within the secretariat. Also, the United Nations has certain kinds of trust funds which often simply cannot be programmed, such as special operations activities.

89. Underlying these differences is a more profound difference between the situation in the UN in New York, and in the specialized agencies. In at least some of the specialized agencies, the first step in examination of the programme and budget is the approval of a budget ceiling. Then the next year's programme and budget are worked out within this ceiling. Under these arrangements a move toward programme or performance budgeting can be made without the fiscal situation getting out of hand.
90. Many Member States are strongly opposed to any kind of a budget ceiling. They want the first step to be the preparation of a programme without any fiscal guidelines. The resulting programme would then be costed to arrive at a budget. If the resulting total were considered to be too high, it would be very difficult politically to cut such a budget because it would be necessary to identify which specific programmes and projects were to be reduced or eliminated. These Member States think that this is the best strategy to maximize UN assistance to their countries.

91. Those large UN Contributors who are pressing hard to hold down the size of the UN budget are well aware of the dangers (from their point of view) of moving towards "performance" or "programme" budgeting in the absence of firm fiscal guidelines, and are quite happy for the UN to continue to rely on "object classification" budgets as long as the notion of budget ceilings is not acceptable. So long as this impasse continues, I do not visualize any collective effort to create that climate and machinery in New York to engage in central programme reviews of the regular budget or of trust funds. The only central substantive review of trust funds that will take place will be limited to whatever review is feasible by the budget examiners of the Office of the Controller.

92. The pessimistic view presented above should, however, be tempered by certain developments in the UN organizational units administering trust funds. The Department of Economic and Social Affairs in New York is moving toward the establishment of a central programming office. UNIDO has set up a committee to review proposed individual projects included in its general trust fund. Some of the Regional Economic Commissions are reviewing at least part of the proposed trust funds. Thus there is a trend toward a decentralized substantive review system. In view of the specialized knowledge required to review thoroughly some kinds of trust funds, this decentralized approach to the problem has a lot of merit.

93. The present environment in New York appears to be particularly unsuitable to meet the needs of the growing numbers of Member States who would like to place more reliance upon multilateral planning, programming and coordination with respect to their bilateral programmes, through the use of trust fund agreements. Other parts of the UN family are responding to this challenge. In its more sophisticated form, the procedure is as follows:

(a) the donor country signs a general agreement with the specialized agency relating to cooperation in the provision of assistance to developing countries;

(b) the donor country advises the Agency that it will contribute approximately so much money in the form of trust funds during the following year. This may take place at a "pledging" conference;

(c) the Agency reviews those programmes and projects requested by developing countries and approved by its inter-governmental body for trust fund financing, or for which alternative financing is not yet available, and prepares proposals annually for consideration by the donor country;
(d) those proposals which are of particular interest to the donor will be identified, and undergo a further field check through the Agency's Country Representative or the UNDP Resident Representative, and the recipient Government will then submit a formal request. If it is a large project, there may be a preparatory mission to the recipient country consisting of a representative from the Agency and one from the donor country;

(e) the Agency will forward to the donor country for final approval a work plan of projects agreed to by the recipient country;

(f) at prescribed intervals, the donor country will receive a detailed account of progress on the project.

94. It will be noted that the above procedure is multilateral in that it is administered by an Agency in accordance with its usual practices. It is bilateral in that the final selection of projects to be financed is made by the donor Government from proposals submitted by the Agency, and the resources involved are transferred to the Agency on an ad hoc basis under a trust fund arrangement.

95. The donor country usually finds the overhead costs of this arrangement much less than the cost of setting up its own bilateral programmes through expanding its Embassy staff. It also avoids certain risks inherent in bilateral programmes. On the other hand, it enjoys certain advantages of a bilateral programme through (1) having something to say about the management of the projects, (2) controlling the use of its contributions through its veto power over project selection, and (3) enjoying the political advantages of publicity for providing assistance to a given country. In other words, the donor country can "enjoy the best of both worlds".

96. In the administration of these single donor Operations-type trust funds described above, particular attention should be paid to the following matters:

(a) developing countries have expressed concern that such trust funds, which they look upon as in fact bilateral programmes, may involve a diversion of regular budget funds to pay for backstopping them in Headquarters. In other words, many of these developing countries do not want assessed contributions to the UN to be diverted to support some developed country's bilateral programme. Thus it is important that these trust funds have ample provision for paying for their necessary overhead costs;

(b) a few of these single donor trust funds appear to be nothing more than a means of promoting trade with a developing country. Should the UN sponsor such projects?

(c) there is at least the potential danger that some of these trust funds are nothing more than a bilateral programme to achieve certain political objectives for the donor country - a common criticism of bilateral programmes. Proper safeguards should be established to prevent acceptance of trust fund contributions for such purposes.
97. It is important to note that in this process the donor country by-passes UNDP Headquarters and deals directly with the executing agency for the trust fund. Only in this way can they "participate" in the process to the extent desired. However, at least some coordination is supposed to take place with the UNDP office at the country level, so that there is no reason why the execution of these trust fund projects should be in conflict with "country programming" as visualized by the Governing Council of UNDP.

98. A less formal arrangement but with many of the same basic features presented above is in effect in some of the Regional Economic Commissions. The funding may be in the form of non-monetary contributions, or in some cases in the form of "grants".

99. These hybrid bilateral-multilateral programmes now total between 5% and 10% of all trust funds and non-monetary contributions. This total will tend to rise substantially if the tentative plans of some Member States are put into effect.

100. Experience indicates that because the trust funds described above involve extensive and detailed relationships with donors, a formal focal point should be established within the executing agency to coordinate the administration of such trust funds. The most impressive arrangement I observed during this inspection was the focal point established in the Area Services Division of FAO. It was considered significant that this focal point in FAO was recently assigned also the task of coordinating the use of Associate Experts, thus recognizing that these Experts are concerned primarily with projects, not just administration tasks. (About 10% of all FAO experts in the field are now Associate Experts.)

101. UNIDO does not have an organizational unit comparable to the Area Services Division of FAO, but has established a trust fund focal point in the form of a committee with broad representation among the technical divisions. This committee's main task is to review proposed projects for trust fund financing.

102. It is noted that the UN Headquarters in New York is not set up to deal effectively with the bilateral-type trust funds. Neither the Department of Economic and Social Affairs nor the Headquarters of UNDP have focal points for coordinating such technical assistance-type programmes for which they are responsible. Factual data and observations all point to the conclusion that donors wishing to shift from conventional bilateral programmes to a trust fund arrangement along the lines described above, are finding the set up more attractive in places like FAO in Rome, UNESCO in Paris, ECA in Addis Ababa, UNIDO in Vienna, and the International Trade Centre in Geneva, than in New York.
Recommendations

103. Focal points should be established in UNDP Headquarters and in the Department of Economic and Social Affairs in New York for coordinating the administration of Trust Funds they are responsible for; and appropriate steps should be taken to ensure that proposed trust funds in the technical assistance class are checked out with the UNDP Resident Representatives.

104. Proper safeguards should be established to ensure that technical assistance-type trust funds and non-monetary contributions which are in effect bilateral-programmes designed merely to promote trade or sell machinery and equipment to the developing country, or to achieve political objectives of the donor country under the banner of the United Nations, are not accepted.

105. The ACC should initiate the development of a system for overhead costs of trust funds and non-monetary contributions which would be consistent with and related to the new system being developed for agency Overhead Costs for Programmes financed by the UNDP. (See E/5081, 5 November 1971.)
CHAPTER VI

Preservation of Trust Fund Advantages

Problem

106. If an attempt is made to fully coordinate trust funds and non-monetary contributions with other kinds of resources, would the net result be to eliminate some of the major advantages of these extra-budgetary resources? Is there necessarily a basic conflict between strengthening the management of trust funds and preserving their potential advantages?

Discussion

107. During this inspection a lot of time was spent trying to identify just what were the advantages of trust funds. This proved to be an unexpectedly difficult task. Below I have attempted to outline what I believe to be their major advantages, and the implications for management improvement proposals.

108. Increased total revenues. Everyone I talked to was convinced that the total resources available to the UN would be much larger if they sought money through a number of channels, not just one or two. Experience has shown that the acceptance of trust funds is a practical way to maximize the number of channels, and hence the total funds available. Although the fragmentation of sources of revenue may cause some slight increase in overhead costs, this fragmentation does not necessarily lead to a much more serious fragmentation of programmes, because trust funds are almost always used to finance projects and programmes previously approved by UN organizational units and developing countries. So long as trust fund contributors are willing to have their funds used for projects selected from programmes independently agreed to by UN organizational units and recipient countries, then the fragmentation of sources of revenue does not fragment programmes and lead to serious management and policy issues.

109. Speed. All "operations" officers with trust fund and non-monetary contributions experience emphasize the advantage of speed in their use, particularly those in the Single Donor categories. This seems to be achieved in a number of ways, as follows:

(a) personnel can be recruited without going through the time-consuming process of contacting countries all over the world for candidates;

(b) trust fund activities have been "pre-programmed", so you are collecting money to finance programmes and projects already approved, and can move quickly when the money is available;

(c) contributions may be received at any time during the year;
(d) Trust funds are usually administered on a more
decentralized basis, so fewer approvals are required
before action can be initiated.

110. It is to be noted that (b) and (c) above are inherent advantages
of trust funds that would not be affected by management improvements.
Items (a) and (d), however, are vulnerable to change. It is proposed
that recruitment of personnel for continuing appointments financed
by trust funds must go through channels, (e.g.) through TARS. All
other recruitment can be handled on a decentralized basis, if so
desired, by the executing agency for the trust funds and non-monetary
contributions. Then at least most of the speed in recruitment under
trust funds would be preserved.

111. Flexibility. In almost all cases, flexibility is mentioned as
one of the outstanding advantages of trust funds and non-monetary
contributions. It proved to be rather difficult, however, to
determine just what officials had in mind. Examples cited included
the following:

(a) Geographic flexibility. Some UN organizational
units such as UNIDO have certain high priority trust
fund projects in developed countries, because UNDP
funds can only be used (with very few exceptions) in
developing countries.

(b) Regular budget inflexibility. The repetitive
nature of most work programmes of the regular budget,
and the tying of most regular budget activities to a
long series of General Assembly and ECOSOC Resolutions,
inevitably leads to a very inflexible budget, at least
in the short run. If there is a sudden demand in the
General Assembly for a new programme involving
substantial sums of money, it is much easier to approve
a resolution asking the Secretary-General to "pass the
hat" for contributions, than to juggle the priorities
of the regular budget and increase its total size
significantly or to obtain the necessary funds by
invoking the General Assembly resolution on "unforeseen
and extraordinary expenses".

(c) Operations flexibility. It is convenient to have
a country pick up the bill for (e.g.) a seminar this
summer that would otherwise have to be postponed until
next year because of a shortage of funds; or to use
trust funds to finance those social projects that were
turned down by UNDP Headquarters on priority grounds;
or to have more flexibility in using money for travel;
or to fill a key job in 3 months rather than wait the
usual year or even longer when you have to go through
channels.

(d) Contributor flexibility. It is to be expected
that not all Member States have the same enthusiasm for
a proposed new programme. In those instances where the
differences are considerable, the use of trust funds
provides the necessary flexibility so that only those
countries who are really strongly in favour of a programme
have to contribute. For example, such flexibility was
important in connection with the trust funds for
population and for Cyprus.
112. There is a deep-seated concern among many persons I talked to that if trust funds and non-monetary contributions become too visible, and are spelled out "in the front of the budget", they will be looked upon not as a supplement to the regular budget but as an alternative source of funds, and thus will be used as a means of holding down assessed contributions. Then at least part of the flexibility described above would tend to disappear.

113. There may be something to this fear that trust funds will be looked upon as an alternative source of funds if they become more closely associated with conventional sources. On the other hand, it is noted that at least some of those donors who are pressing the hardest for restrictions on the total size of assessed contributions, are very generous in their contributions to trust funds. Furthermore, my experience as an Inspector points very strongly to the conclusion that the limiting factor for good UN projects and programmes is usually not money: it is competent personnel. I am persuaded that through the use of trust funds and non-monetary contributions, many competent persons who would not have been available through regular recruitment channels have been recruited for UN activities.

114. To summarize, I feel that through the use of trust funds and non-monetary contributions, there has been a definite improvement in the quality of personnel for certain kinds of UN activities, and that the closer association of these funds with other sources of financing does not have to lead to a significant loss of flexibility in their use.

115. Although trust funds do provide desirable flexibility in certain circumstances, I think there has been a tendency to overstate such flexibility in the Multiple Donor category. It will be noted in the table in Chapter II that the most dramatic increase in contributions between 1965 and 1970 has been in this category. At least most of the projects financed by these trust funds are similar to those financed by the UNDP, and Technical Programmes financed by the United Nations regular budget. These trust funds reflect, in part at least, a growing desire by heads of divisions of the Department of Social and Economic Affairs and by directors of other UN organizational units to have their own funds, and thereby get away from certain restrictions in the use of regular funds.

116. As a good example of overstatement of the merits of Multiple Donor trust funds, attention is directed to paragraph 97, page 36 of E/C.6/115, a Report of the Secretary-General to the Committee on Housing, Building and Planning of ECOSOC, dated 17 August, 1971, in which it is stated that:

"Present United Nations procedures for planning, financing, staffing and executing assistance operations are very slow and lack flexibility. As part of the world strategy for the environmental improvement and development of human settlements, a specific funding mechanism could be established to facilitate United Nations actions for the improvement of transitional settlements by allowing more rapid response to expressions of interest on the part of Governments, and particularly to provide a source of interim funds for the period between the identification of a project and the commitment of United Nations assistance..."
funds. A long term objective could be the continuous financing and staffing of a United Nations urbanization programme that includes work at international, regional and country levels, and covers research, information and operational assistance activities."

117. The above quotation is preceded by a heading "International Trust Fund". This quotation raises two pertinent questions. Is it really the opinion of the Secretary-General that programmes under UNDP and Technical Programmes of the UN Budget "are very slow and lack flexibility"? If so, what magic is there in the use of Multiple Donor trust funds that will avoid such fundamental weaknesses? It has not been my observation that Multiple Donor trust funds have been implemented at such a comparatively high rate of speed. (Such speed is restricted largely to Single Donor trust funds.) Why are Multiple Donor trust funds a better "source of interim funds" (quoting above paragraph) than Technical Programme funds of the UN regular budget? If it is known how to use Multiple Donor trust funds so efficiently, why do we not know how to change UNDP and UN Technical Programmes operations so that they will be equally efficient?

Recommendations

118. Special care should be exercised to ensure a continuation of the present policy of using trust funds only for projects and programmes independently agreed to by UN organizational units and developing countries, not for projects and programmes dictated by the donor.

119. Only the recruitment of personnel for continuing appointments should be required to go through regular recruitment channels.
LIST OF UN TRUST FUNDS FOR 1960, 1965 AND 1970

This Annex lists all the Trust Funds for which money was received or withdrawn for the years 1960, 1965 and 1970.

<table>
<thead>
<tr>
<th>CLASS AND CATEGORY</th>
<th>VOLUNTARY CONTRIBUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1960</td>
</tr>
<tr>
<td>Headquarters</td>
<td></td>
</tr>
<tr>
<td>· Overhead (UNDP and Trust Funds)</td>
<td>$</td>
</tr>
<tr>
<td>· Regional - (lower Mekong River Basin)</td>
<td>30,000</td>
</tr>
<tr>
<td>· Regional - Central American Research Institute for Industry (ICAITI)</td>
<td>10,000</td>
</tr>
<tr>
<td>· Chile - Mineral Survey</td>
<td>20,000</td>
</tr>
<tr>
<td>· China - Hydraulic Development Projects</td>
<td>10,900</td>
</tr>
<tr>
<td>· Pakistan - Mineral Survey</td>
<td>27,800</td>
</tr>
<tr>
<td>· Guinea - General Development Survey</td>
<td>25,000</td>
</tr>
<tr>
<td>· United Kingdom - Aerial Geographical Survey (Uganda)</td>
<td>28,500</td>
</tr>
<tr>
<td>· Regional - Hydrographic Survey of the Lower Mekong River.</td>
<td>8,200</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$160,400</td>
</tr>
</tbody>
</table>

| Regional Economic Commissions | -                  |

| Research | -                        |

| Miscellaneous |                         |
| · Library Endowment Fund | 18,741               |
| · The United Nations Library - Gift of the Ford Foundation | 335,648             |
| · Pension fund for part-time employees of the United Nations European Office | 905                 |
| Sub-total      | $355,294               |
Technical Assistance

Single donor-recipient-Government

Same as in schedule 25, pages 69 and 70 of the Financial Report and Accounts for the year ended 31 December 1960, and Report of the Board of Auditors (doc.A/4777 - suppl.no.6) with the exception of two "Associate experts" which are registered in that category.

Sub-total $464,415

Single donor-external source

Central American Tech.Institute - Two experts at the Institute in Guatemala (ICAITI) (2,842)

Ford Foundation - Expert in public administration training in Egyptian Region, UAR, and three fellowships in public administration. 1,575

Ford Foundation - Assistance for 1960 Population, Housing and Agricultural Census in Asia and the Far East. 75,000

New York University - Assistant to Director of public administration training project at New York University. 2,112

The Population Council Inc. - Discussion leaders and participants in Population Seminar for Southern European countries, held in 1958 in Athens, Greece. (198)

The Population Council Inc. - Expenses of Seminar in Evaluation and Utilization of Census Data, Santiago, Chile, 1959. 27,197

World Veterans Federation - Expert on low-cost housing in Brazil

- Land settlement study tour in Asia and the Far East.

- Low-cost housing fellowship for Burmese national.

- General rehabilitation of the physically handicapped advisor in Burma.

- Physiotherapist in India 32,250
- Experts at Solo Rehabilitation Centre, Indonesia
- Low-cost housing fellowship for Philippines national.
- Physiotherapist in the Philippines
- Expert in land settlement in Thailand
- Physiotherapist in Viet-Nam.

Pan-American Sanitary Bureau - Contribution towards cost of Industrial Statistics Seminar in Central America. 4,500
Pan-American Union - Contribution towards cost of Industrial Statistics Seminar in Latin America. 10,000
Various oil companies - Preparation of an oil map of Libya. (762)

Sub-total $ 148,832

Multiple Donors

Associate Experts
Federal Republic of Germany - Associate expert in public administration training in Ethiopia. 6,000
Netherlands - Associate experts in various fields to several countries. 48,150

Sub-total $ 54,150

Special Operations
United Nations Korean Reconstruction Agency - Income from residual assets 13,493
- Technical assistance staff secondment. 40,300
- Expert at plate glass plant in Korea. (309)
- Expert at Tongnae Rehabilitation Centre in Korea (1,329)

Congo Relief Counterpart Fund 159,629
United Nations Fund for the Congo 10,965,265

Sub-total $11,177,049

Total $12,360,140
<table>
<thead>
<tr>
<th>CLASS AND CATEGORY</th>
<th>VOLUNTARY CONTRIBUTIONS 1965</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters</td>
<td></td>
</tr>
<tr>
<td>Overhead (UNDP and Trust Funds)</td>
<td></td>
</tr>
<tr>
<td>United Nations overhead costs for</td>
<td></td>
</tr>
<tr>
<td>Special Fund projects</td>
<td>$ 3,477,520</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
</tr>
<tr>
<td>Regional Economic Commissions</td>
<td></td>
</tr>
<tr>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>United Nations Research Institute for</td>
<td></td>
</tr>
<tr>
<td>Social Development.</td>
<td>275,914</td>
</tr>
<tr>
<td>UNICEF - Contribution to Asian Institute for Economic Development and Planning.</td>
<td>20,000</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$ 295,914</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
</tr>
<tr>
<td>Library Endowment Fund</td>
<td>18,428</td>
</tr>
<tr>
<td>Provident Fund for part-time employees of the United Nations European Office</td>
<td>9,598</td>
</tr>
<tr>
<td>United Nations International School Construction Account.</td>
<td>500,000</td>
</tr>
<tr>
<td>Sub-total</td>
<td>$ 528,526</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td></td>
</tr>
<tr>
<td>Single donor-recipient-Government</td>
<td></td>
</tr>
<tr>
<td>Same as in schedule 35, page 142 to 144 of the financial Report and Accounts for the year ended 31 December 1965 and Report of the Board of Auditors (doc. A/6306 - suppl. no. 6).</td>
<td>$781,809</td>
</tr>
<tr>
<td>Sub-total</td>
<td></td>
</tr>
</tbody>
</table>
ANNEX A (Continued)

Jingle donor—external source

National Council of Churches in the USA — Project for the training of women in New Guinea. 5,000

Ford Foundation — Assistance for population, housing and agricultural census in Asia and Far East. (49)

Ford Foundation — Funds held in suspense pending instructions for utilization. 7,019

The Population Council Inc. — Demographic Training Centre in Santiago, Chile. 56,407

The Population Council Inc. — Demographic Training Centre in Chemhur, Bombay, India. 2,439

The Population Council Inc. — Demographic Sample surveys in Latin America 1963/1967 40,959

The Population Council Inc. — Demographic Centre in Cairo, UAR 48,500

The Rockefeller Foundation — Assistance for ECAFE expanded demographic programme. 50,000

Pan American Union — Inter American Statistical Institute 366

Philippines — Books for Statistical Centre (627)

Ford Foundation — Lecturer in human resources development at Latin American Institute for economic and Social planning (12,888)

Sub-total $ 197,126

Multiple Donors

Special Committee on Principles of International Law concerning Friendly Relations and co-operation among States, Mexico. 15,212

United Nations Fund for the maintenance of essential services in Burundi and Rwanda. 374

United Nations for emergency assistance to Costa Rica. 22,140

United Nations Education and Training Programme for South Africans 161,175

Preparatory Expenses for the African Development Bank. 55,254

FAO — Revision of a report on the manufacture of fertilizers in Ceylon. 1,500

UNICEF — Contribution to ECA Seminar in Alexandria. 7,405

UNICEF — Urban pilot project in Tunisia. 13,500

FAO — United Nations participation in World Food Programme 69,500

Sub-total $ 346,060
Associate Experts


| Sub-total | $586,736 |

Special Operations

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations Force in Cyprus.</td>
<td>18,541,325</td>
</tr>
<tr>
<td>United Nations Yemen Observation Mission.</td>
<td>55,864</td>
</tr>
<tr>
<td>United Nations Temporary Executive Authority for the Administration of West New Guinea (West Irian).</td>
<td>(184,983)</td>
</tr>
<tr>
<td>United Nations Fund for the Congo.</td>
<td>8,586,601</td>
</tr>
<tr>
<td>Congo Civilian Assistance Project Costs under United States Programme Agreements.</td>
<td>5,310,793</td>
</tr>
<tr>
<td>Congo administrative Support Overhead costs.</td>
<td>2,592,171</td>
</tr>
<tr>
<td>Fund of the United Nations for the Development of West Irian.</td>
<td>(2,569,579)</td>
</tr>
<tr>
<td>United Nations Suez Canal Surcharge Operations.</td>
<td>4,689</td>
</tr>
<tr>
<td>Special Representative of the Secretary-General in Cambodia and Thailand.</td>
<td>111,199</td>
</tr>
<tr>
<td>United Nations Malaysian Mission.</td>
<td>24,958</td>
</tr>
<tr>
<td>United Nations Famine Relief Fund (Congo).</td>
<td>92,421</td>
</tr>
<tr>
<td>United Nations Korean Reconstruction Agency - residual assets.</td>
<td>31,226</td>
</tr>
</tbody>
</table>

Sub-total $32,596,685

Total $38,810,376
<table>
<thead>
<tr>
<th>CLASS AND CATEGORY</th>
<th>VOLUNTARY CONTRIBUTIONS 1970</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Headquarters</strong></td>
<td></td>
</tr>
<tr>
<td>Overhead (UNDP and Trust Funds)</td>
<td></td>
</tr>
<tr>
<td>United Nations and UNIDO overhead costs for Special Fund projects.</td>
<td>$3,584,828</td>
</tr>
<tr>
<td>United Nations and UNIDO overhead costs for funds-in-trust projects.</td>
<td>$1,135,167</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>$4,719,990</td>
</tr>
<tr>
<td>Regional Economic Commissions</td>
<td></td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>$859,369</td>
</tr>
<tr>
<td>Research</td>
<td></td>
</tr>
<tr>
<td>United Nations Research Institute for Social Development</td>
<td>$312,238</td>
</tr>
<tr>
<td>United Nations Social Defense Research Institute.</td>
<td>$206,184</td>
</tr>
<tr>
<td>Trust Fund for Development Planning and Projections.</td>
<td>$579,594</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>$1,098,016</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
</tr>
<tr>
<td>United Nations International School Construction Account.</td>
<td>$496,802</td>
</tr>
<tr>
<td>Library Endowment Fund.</td>
<td>$20,856</td>
</tr>
<tr>
<td>Provident Fund for part-time employees of the United Nations European Office.</td>
<td>$14,367</td>
</tr>
<tr>
<td>Committee on the Elimination of Racial Discrimination</td>
<td>$78,626</td>
</tr>
<tr>
<td>Staff Health Insurance Rate Stabilization Fund.</td>
<td>$97,578</td>
</tr>
<tr>
<td>Staff Life Insurance Reserve Fund</td>
<td>$50,166</td>
</tr>
<tr>
<td>United Nations Trust Fund for Compensation Awards.</td>
<td>$36,517</td>
</tr>
<tr>
<td>United Nations Industrial Development Organization Commissary.</td>
<td>$711,773</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>$1,678,878</td>
</tr>
</tbody>
</table>
Technical Assistance

Single donor-recipient-Government
Same as in schedule 3b, pages 120 to 124
and 130 to 132, of the Financial Report and
Accounts for the year ended 31 December 1970
and Report of the Board of Auditors

Sub-total $ 272,669

Single donor-external source
UNIDO trust fund for industrial programming
data (Swedish grant). 532
Trust fund for social development (Swedish grant). 209,979
Trust fund for Water Desalination (United
Kingdom grant). 12,342
Personal and real property willed to the United
Nations. 55,022
Denmark - Group training course in community
development in rural areas. 22,048
Denmark - U.N. African regional seminar on
national youth policies. 43,860
Denmark - Asia and the Far East regional
preparatory mission on modern
coordination. 2,590
Federal Republic
of Germany - Lecturer for Asian Institute
for Training and Research in
Statistics. 26,316
Netherlands - Inter-regional training course in
social planning, Amsterdam. 27,778
Netherlands - Two fellowships at the Asian
Statistical Institute. 7,800
Saudi Arabia - Travel of Advisers and UNESOB
staff to Saudi Arabia. (804)
Sweden - Inter-regional advisers in the field
of social defense. 34,643
Zambia - Human rights seminar on the realization
of economic and social rights. 6,914
Pan-American Union - Inter-American Statistical
Institute. (3,282)
The Ford Foundation - Census in Asia and the
Far East. 1,464
The Population
Council Inc. - Demographic Centre, United
Arab Republic. 28,000

Sub-total $ 475,202
## Multiple Donors

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNIDO General Trust Fund</td>
<td>2,597,012</td>
</tr>
<tr>
<td>UNIDO/UNDP Trust Fund for Special Industrial Services</td>
<td>350,881</td>
</tr>
<tr>
<td>Trust Fund for industrial development - ECAFE</td>
<td>118,600</td>
</tr>
<tr>
<td>United Nations Capital Development Fund</td>
<td>1,042,369</td>
</tr>
<tr>
<td>Trust Fund for operational programmes - Lesotho.</td>
<td>345,661</td>
</tr>
<tr>
<td>Trust Fund for operational programmes - Swaziland</td>
<td>400,000</td>
</tr>
<tr>
<td>Fund for population activities.</td>
<td>15,746,320</td>
</tr>
<tr>
<td>United Nations Consolidated Education and Training Programme for Southern Africans.</td>
<td>577,818</td>
</tr>
<tr>
<td>United Nations Programme of Assistance and Exchange in the Field of International Law.</td>
<td>3,240</td>
</tr>
<tr>
<td>World Youth Assembly</td>
<td>634,850</td>
</tr>
<tr>
<td>World Youth Assembly Medal</td>
<td>42,645</td>
</tr>
<tr>
<td>United Nations Trust Fund for South Africa.</td>
<td>209,182</td>
</tr>
<tr>
<td>International Bank for Reconstruction and Development - Fellowship in Highway development.</td>
<td>15,077</td>
</tr>
<tr>
<td>United Nations Children's Fund - Inter-regional course in social planning, Amsterdam.</td>
<td>3,550</td>
</tr>
</tbody>
</table>

Sub-total $22,087,205

## Associate Experts


Sub-total $927,158

## Special Operations

<table>
<thead>
<tr>
<th>Fund Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Nations Peace-Keeping Force in Cyprus.</td>
<td>10,271,294</td>
</tr>
<tr>
<td>Special Representative of the Secretary-General for the implementation of the act of self-determination of West Irian.</td>
<td>78,539</td>
</tr>
<tr>
<td>Funds-in-trust programme for the Democratic Republic of the Congo.</td>
<td>1,379,916</td>
</tr>
<tr>
<td>Congo Administrative Support Costs.</td>
<td>1,186,941</td>
</tr>
<tr>
<td>Fund of the United Nations for the Development of West Irian.</td>
<td>16,513,217</td>
</tr>
<tr>
<td>United Nations Korean Reconstruction Agency - residual assets.</td>
<td>17,075</td>
</tr>
</tbody>
</table>

Sub-total $29,446,982

Total $61,565,469