



Report on the use of experts and consultants in the United Nations

by

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LIST OF ABBREVIATIONS

ACABQ:	Advisory Committee on Administrative and Budgetary Questions
ACAST:	Advisory Committee on the Application of Science and Technology to Development
AMS:	Administrative Management Service
CDPP (DPP):	Centre for Development Planning, Projections and Policies (DESA)
CHBP (HBP):	Centre for Housing, Building and Planning (DESA)
CNR:	Committee on Natural Resources
CPC:	Committee for Programme and Co-ordination
DPFFI (PFFI):	Division of Public Finance and Financial Institutions (DESA)
DPSCA (SCA):	Department of Political and Security Council Affairs
DESA (ESA):	Department of Economic and Social Affairs
OST (ST):	Office for Science and Technology
OSAD:	Outer Space Affairs Division (DPSCA)
PAD:	Public Administration Division (DESA)
PD:	Population Division (DESA)
RTD:	Resources and Transport Division (DESA)
SDD (SD):	Social Development Division (DESA)
SO:	Statistical Office (DESA)
TDB:	Trade and Development Board

I. INTRODUCTION

1. At the twenty-sixth session of the General Assembly, the Fifth Committee requested the Joint Inspection Unit to include in its work programme for 1972 "an overall review of the question of experts and consultants hired by different services of the United Nations" and to report thereon to the Assembly at its twenty-seventh session (A/8531/Add.1, page 9).
2. This report is submitted pursuant to that request. It is based on investigations carried out in the Secretariat, including UNCTAD and UNIDO, but does not cover the regional economic commissions and UNESOB; nor does it extend to experts recruited for work on technical co-operation activities in the field. However, the Inspectors are satisfied that their findings cover those offices which account for the bulk of expenditure on consultants within the United Nations.
3. Early in their investigations they found that owing to the novelty and complexity of the subject, they would not be able to present definitive findings by the date requested. In their interim report (A/8811), presented to the General Assembly at its twenty-seventh session, they confined themselves, therefore, to suggesting, on the strength of their preliminary investigations and findings, that the appropriations for "Individual experts and consultants" and for "Ad hoc expert groups" for 1973 should be as recommended by the ACABQ and that they should not be exceeded in 1974.
4. This proposal was described by the Secretary-General, in his report of 14 September 1972 (A/8811), as a prejudgement "not based on actual evidence", of their final conclusions. In the Inspectors' view the evidence before them at the time the preliminary report was drafted, as well as the general financial state of the United Nations, fully justified the suggested measure of restraint which, incidentally, was in line with similar measures taken by the Secretary-General himself at the beginning of 1972.
5. In their investigations the Inspectors were guided, to begin with, by the questions raised by delegates during the 1971 debate in the Fifth Committee and by the discussions in the various legislative and programming bodies. As they proceeded with their inquiries, the Inspectors identified additional problems to which reference had not been made by these bodies but which they found to be closely connected with the subject-matter they were called upon to investigate. They found, for instance, that although Ad hoc expert groups were funded until now under a different sub-chapter of the budget they themselves benefit to an unsuspected extent from the services of consultants in one capacity or another

and that one type of expertise cannot be studied in isolation from the other. In this report, therefore, the expression "outside expertise" is used to describe these two types of temporary assistance.

6. Broadly speaking, the Inspectors address themselves to the following issues:

(a) whether, as a general proposition, the tasks now being performed by consultants and experts are of a high priority and are required by decisions of legislative bodies;

(b) whether expenditure on this type of temporary assistance is justified, bearing in mind: (i) the existence of a large and steadily growing permanent establishment; and (ii) the possible availability of other sources of information and expertise within or outside the United Nations system;

(c) whether existing procedures governing the selection and recruitment of consultants and experts and the evaluation and utilization of their work are adequate; and, if not, what is wrong with them and how they can be improved.^{1/}

7. The Inspectors' task has proved difficult for a number of reasons. Firstly, although the twin institutions of "Individual experts and consultants" and "Ad hoc expert groups" go back to the earliest days of the United Nations, and from 1963 through 1973 almost \$15 million have been spent on them, their use has never been studied per se and the Inspectors tread, therefore, what is virtually unexplored ground.

8. Secondly, total expenditure on outside expertise in any one year is made up of many hundreds of separate transactions, with a correspondingly large number of individual files. It was clearly impracticable for the Inspectors to examine more than a random sampling (albeit large) of those files. Even this was a difficult task, as some of them were found to be incomplete, untidily assembled, etc..

9. Thirdly, record-keeping methods regarding data on outside expertise were found to vary considerably from one office to another. While in some cases the required information was readily available, in others the collection of even such

^{1/} Detailed comments on the issue of controls are being made in a separate "Note" to the Secretary-General. In this report the Inspectors mention merely some of the more visible shortcomings observed by them in this regard.

elementary data as the total number of consultants and experts employed in any one year, or the amount of money actually spent on them, proved a laborious and in some cases even hopeless exercise.^{2/} Moreover only exceptionally did the figures provided by individual offices coincide with those provided by the Office of Financial Services, with no satisfactory explanations being given for the discrepancies. Similar difficulties arose in connexion with the budget figures; changes in format and presentation make comparisons difficult; moreover not all expenditure incurred on outside expertise (e.g. in respect of travel, editing, translation, printing, etc.) is to be found under what was until now Section 3, Chapter III of the Budget.

10. Fourthly, the Inspectors found some difficulty in dealing with outside expertise in isolation from other and more fundamental issues of manpower and personnel policies.

11. The accent in this report is, inevitably, on the problems encountered and the shortcomings noted. The criticism voiced by them does not mean, however, that the Inspectors do not give recognition to the positive or satisfactory aspects they came across during their investigations or that they question the usefulness of outside expertise as such.

II. THE EXTENT AND RANGE OF UNITED NATIONS RECOURSE TO OUTSIDE EXPERTISE

12. The first appropriations for "Individual experts and consultants" were included in the Secretary-General's Budget Estimates for 1947. As the Advisory Committee on Administrative and Budgetary Questions (ACABQ) pointed out at the time, there were bound to be occasions when it would be necessary to consult or obtain the services of "a recognized authority in some particular field which the Secretariat should not be expected to cover", or to obtain the short-term services of an expert "to advise the Secretariat on a particularly difficult problem" (A/336). Even then, however, the Committee warned that excessive expenditure on consultants "might lead to a most undesirable position where a large number of experts paralleled the functions of the normal establishment" and it went on to stress that "the occasions when it is essential to consult or obtain the short-term services of an expert to advise the Secretariat on particularly difficult problems ... should be ... comparatively rare" (A/336). Almost every year thereafter the

^{2/} As this report goes to print, the Inspectors have still not received any data from the Division of Social Affairs, Geneva, despite repeated requests, the first of which goes back to 8 May 1972.

Committee has called for restraint and more effective controls in the use of consultants.^{3/} As recently as 1972 the Committee reasserted its long-held belief that "expenditure on individual experts and consultants can easily get out of hand" (A/8708).

13. The ACABQ first expressed concern and doubts over the increase in expenditure on Ad hoc expert groups in 1962 (A/5207) and has since repeated its misgivings on numerous occasions.^{4/} More recently the Committee, while continuing to urge restraint and more effective controls, has recommended every year an across-the-board cut in the annual appropriations for these two items. Thus for 1970 the appropriations for Chapter III as a whole were cut, at the Committee's suggestion, by \$140,000 (or 5.2 per cent), for 1971 by \$150,000 (4.5 per cent) and for 1972 by as much as \$450,000 (some 11 per cent).

14. Table 1 gives expenditure figures for outside expertise for various years between 1962 and 1972. In 1962 expenditure in the United Nations Secretariat^{5/} totalled at least^{6/} \$487,690, of which \$337,720 on individual experts and consultants and \$149,970 on Ad hoc expert groups. In 1972 expenditure was at least \$2,132,006, of which \$1,768,264 on consultants and \$363,742 on Ad hoc expert groups. Thus in ten years expenditure on individual experts and consultants increased by at least 423.6 per cent and on Ad hoc expert groups by at least 142.5 per cent.

^{3/} 1948 (A/534), 1951 (A/1853), 1952 (A/2157), 1953 (A/2403), 1954 (A/2688), 1955 (A/2921), 1956 (A/3160), 1957 (A/3624), 1958 (A/3860), 1964 (A/5807), 1965 (A/6007), 1966 (A/6307), 1968 (A/7207), 1969 (A/7608), 1970 (A/8008), and 1971 (A/8408).

^{4/} 1966 (A/6307), 1968 (A/7207), 1970 (A/8008), and 1971 (A/8408).

^{5/} The figures quoted in this and the following paragraphs include the regional economic commissions and, for the years where applicable, UNCTAD and UNIDO. They exclude, however, the Office of the United Nations High Commissioner for Refugees, whose definition of consultants differs considerably from that of other offices, with the result that meaningful comparisons are difficult.

^{6/} "At least" because actual expenditure was much larger. In the case of individual experts and consultants, it included, in addition (where applicable), the cost of editing, translation and printing. In the case of Ad hoc expert groups, it included not only that, but also the fees and expenses of the consultants who worked for them (if any). Moreover, these various figures provide merely an order of magnitude and indicate the general trend; they are not indicative of the actual growth in the programmes, since they do not take account, for example, of the reduced purchasing power of the money spent over the years.

Table 1 ^{a/}

Total United Nations^{b/} Expenditure on Outside Expertise (Individual Experts and Consultants and Ad Hoc Expert Groups)
1962, 1965, 1967, 1968-1973
(in US dollars)

<u>Year</u>	<u>Office</u>	<u>Individual consultants</u>	<u>Ad Hoc expert groups</u>	<u>Total</u>
		\$	\$	\$
1962	UN	337 720	149 970	487 690
1965	UN	498 830	65 080	
	UNCTAD	<u>148 325</u>	<u>17 605</u>	
	<u>Total:</u>	647 155	82 685	729 840
1967	UN	598 110	154 595	
	UNCTAD	284 120	28 985	
	UNIDO	<u>240 700</u>	<u>60 830</u>	
	<u>Total:</u>	1 122 930	244 410	1 367 340
1968 ^{c/}	UN	697 104	69 677	
	UNCTAD	286 000	-	
	UNIDO	<u>365 387</u>	<u>69 393</u>	
	<u>Total:</u>	1 348 491	139 070	1 487 561
1969 ^{c/}	UN	863 643	252 919	
	UNCTAD	174 867	49 942	
	UNIDO	<u>376 988</u>	<u>134 140</u>	
	<u>Total:</u>	1 415 498	437 001	1 852 499
1970 ^{c/}	UN	1 149 863	232 776	
	UNCTAD	279 514	34 151	
	UNIDO	<u>339 735</u>	<u>134 140</u>	
	<u>Total:</u>	1 769 112	401 067	2 170 179
1971 ^{c/}	UN	1 680 265	348 084	
	UNCTAD	396 482	41 313	
	UNIDO	<u>332 858</u>	<u>114 273</u>	
	<u>Total:</u>	2 409 605	503 670	2 913 275
1972 ^{c/}	UN	1 133 691	194 504	
	UNCTAD	257 780	20 068	
	UNIDO	<u>376 793</u>	<u>149 170</u>	
	<u>Total:</u>	1 768 264	363 742	2 132 006
1973 ^{c/ d/}	UN	1 214 400	441 200	
	UNCTAD	280 000	84 000	
	UNIDO	<u>438 500</u>	<u>140 000</u>	
	<u>Total:</u>	1 932 900	665 200	2 598 100

a/ Sources:

Appropriations

Expenditure

1962: A/5205
1965: A/6005
1967: A/6705; A/6305/Add.1
1968: A/7205, vol.I; A/6705/Add.1
1969: A/7606, vol.I; A/7205/Add.1
1970: A/8006, vol.I; A/7606/Add.1
1971: A/8406, vols I, II; A/8006/Add.1
1972: A/8706, vols I, II; A/8406/Add.1

A/5505
A/6305
A/7205, vol.I.1

Expenditures for 1968-1972 and appropriations for 1973 were provided by United Nations Secretariat, Office of Financial Services (Budget Division); UNCTAD, Office of Administration; UNIDO, Financial Services.

^{b/} Excluding HCR.

^{c/} Indicative figures only. In many cases, other figures than those provided by the Office of Financial Services (Budget Division) have been reported to the Inspectors by individual offices that had or have programmed recourse to outside expertise.

^{d/} Appropriations.

15. The corresponding appropriations for 1973 and estimates for 1974 and 1975 are as follows:

	1973 (appropriations)	1974 ^{a/} (estimates)	1975 ^{a/} (estimates)
Individual experts and consultants	\$1,932,900	\$2,273,000	\$2,265,000
<u>Ad hoc</u> expert groups	665,200	535,000	612,000
Total	\$2,598,100	\$2,808,000	\$2,877,000

^{a/} Source: Draft United Nations Budget Estimates for the 1974-1975 biennium.

16. Between 1962 and 1971 expenditure on salaries and wages for "established posts" and "temporary assistance other than meetings" went from \$38,700,300 to \$82,659,900, or an increase of roughly 113.5 per cent.

17. The above figures relate only to expenditure from regular funds. In recent years, substantial expenditure on outside expertise has been financed from extra-budgetary sources; the totals in the Department of Economic and Social Affairs (ESA) alone for the three-year period 1969-1971 are as follows:

Individual consultants	\$99,970
<u>Ad hoc</u> expert groups	\$93,907

18. The increase in expenditure on individual experts and consultants has been continuous, but not uniform over the years. On Ad hoc expert groups it has followed a more erratic pattern.

19. Within the Secretariat expenditure has not been uniform either. Some offices use no individual experts and consultants or Ad hoc expert groups at all, or few - for various reasons about which more below. In others, however, the ratio in terms of man-months was in recent years as high as 71.4 per cent (as compared to 2.4 per cent for the Secretariat as a whole (see Table 5)), so much so that their Directors admit that they could not carry out their regular work programme without them. As might be expected, the bulk of expenditure on outside expertise in the United Nations is incurred by the offices concerned with economic and social affairs, which likewise employ over one-half of the total Professional staff of the Secretariat. Thus in 1972 the combined expenditure of ESA, the Division of Human Rights, the Division of Narcotic Drugs, UNCTAD and UNIDO in the same year

represented about 90.1 per cent of total United Nations expenditure on outside expertise (see Table 2 and annex I).

20. The use of outside expertise has not only evolved quantitatively in the past ten years; the variety of services for which experts and consultants are used has also multiplied to the point that the term "consultant" or "expert" may now apply literally to any individual contracted by the United Nations to do a job which the Secretariat, for one reason or another, is unable to have performed by its regular staff.

21. What might be called the traditional or normal function of the expert or consultant, i.e. writing a study or report, or otherwise providing professional advice on a specialized subject, continues to predominate, but the following list (which is by no means exhaustive) gives examples of other services which were paid for from consultants' funds during the period 1969-1971:

- planning and preparing the agenda for Ad hoc meetings and/or running them; and writing or helping to write reports based on their findings;
- writing or editing United Nations official documents, or contributions thereto;
- writing articles on political or other subjects for publication in United Nations or other journals, etc.;
- editing, rewriting, completing, summarizing, proof-reading, indexing, translating or even (in cases involving unusual symbols, etc.) typing studies etc. originating in Secretariat units or with other consultants;
- drafting bye-laws or internal procedures for international bodies;
- drafting the work programmes of certain offices;
- advising on short-term investment practices and procedures, and on salary scales for United Nations staff;
- assisting in United Nations management surveys and similar investigations;
- auditing freight invoices and preparing studies on tariffs, trade routes, etc.;
- travelling to various countries to represent the Secretariat at conferences; briefing and evaluating technical assistance experts; assisting United Nations field missions; collecting cost of living data, etc.;
- delivering a course of lectures;
- operating a computer.

Table 2^{a/}Total United Nations Expenditure on Outside Expertise (by Area of Activity) 1968-1973^{b/}

(in US dollars)

C: Individual experts and consultants

A: Ad hoc expert groups

Year	Executive ^{1/} direction		Administration ^{2/} and management Varia		Political and ^{3/} legal affairs		Information ^{4/}		Economic, social ^{5/} and human rights affairs		UNCTAD		UNIDO		Total all outside expertise Economic, social and human rights affairs; UNCTAD and UNIDO	Grand Total ^{6/} all outside expertise United Nations, UNCTAD and UNIDO
	C	A	C	A	C	A	C	A	C	A	C	A	C	A		
1968	-	-	66,909	-	80,439	-	-	14,408	549,756	55,269	286,000	-	365,387	69,393	1,325,805	1,487,561
1969	-	-	68,854	-	70,004	83,580	-	-	724,785	169,339	174,867	49,942	376,988	134,140	1,630,061	1,852,499
1970	17,788	-	135,771	-	109,832	200	-	31,244	886,472	201,332	279,514	34,151	339,735	134,140	1,875,344	2,170,179
1971	16,789	-	103,748	-	148,382	91,639	-	3	1,411,346	256,442	396,482	41,313	332,858	114,273	2,552,714	2,913,275
1972	15,062	-	133,573	-	60,887	-	-	754	924,169	193,750	257,780	20,068	376,793	149,170	1,921,730	2,132,006
1973 ^{c/}	28,500	31,800	85,000	-	172,800	46,300	-	20,000	928,100	343,100	280,000	84,000	438,500	140,000	2,213,700	2,598,100

a/ Sources: United Nations Secretariat, Office of Financial Services, Budget Division
UNCTAD secretariat, Office of Administration
UNIDO secretariat, Financial Services

b/ Indicative figures only. In many cases, other figures than those provided by the Office of Financial Services have been reported to the Inspectors by individual offices.

c/ Appropriations

1/ Executive Office of the Secretary-General; Assistant Secretary-General for Inter-Agency Affairs; Director-General's Office, Geneva.

2/ Office of the Under-Secretary-General for Administration and Management; Office of Financial Services; Administrative Management Service; Office of Personnel Services; Administrative and Financial Services, Geneva; Office of Conference Services, Geneva; Office of General Services, New York and Geneva; Library, Geneva; Special Committee on the Revision of the United Nations Salary System.

3/ Office of the Under-Secretary-General for Special Political Affairs; Department of Political and Security Council Affairs; Office of Legal Affairs; International Meeting of Plenipotentiaries on the Law of Treaties; International Conference on the Exploration and Peaceful Uses of Outer Space; Committee on Disarmament.

4/ Office of Public Information (Editorial Round Table).

5/ Department of Economic and Social Affairs; Division of Human Rights; Division of Narcotic Drugs; Division of Social Affairs, Geneva; ECE; ECAFE; ECLA; ECA; UNESOB; Conference of Ministers Responsible for Social Affairs; Congress on the Prevention of Crime and the Treatment of Offenders; Conference on the Human Environment; Second Asian Conference on Industrialization; Conference on the International Container Traffic; Conference on the Participation of Youth in the Second Development Decade; Third World Population Conference; Second Asian Population Conference; Conference of Plenipotentiaries to Amend the Single Convention on Narcotic Drugs.

6/ Excluding HCR.

III. AD HOC EXPERT GROUPS

22. Early in their investigations the Inspectors found a close connexion between individual experts and consultants and the so-called "Ad hoc expert groups" funded until now under Chapter III (iii) of Section 3 of the Budget. The relationship has two aspects: in the first place, both types of temporary assistance fulfil essentially the same role, that of giving expert advice; and secondly, many of the meetings of expert groups organized by the Secretariat involve the use of individual consultants in addition to the members of the group - as assistants in the planning and conduct of the actual meeting, as authors or analysts of the background documentation, and/or as writers of the final report.

23. In earlier budget presentations a clear-cut distinction was made between these two types of temporary assistance. The Inspectors doubt whether this distinction is justified and suggest that in future the more general term "Outside expertise" be used.

24. Just as the term "consultant" now covers a wide variety of individual contributions, so the term "Ad hoc expert group" covers a wide variety of meetings. There are, first of all, the various "advisory" symposia, groups or panels, such as the "Symposium to review the Population Division's research work on Population and Economic Development" (Cairo, 1973), which, though they meet less frequently than the Advisory Committee on the Application of Science and Technology to Development (ACAST), play more or less the same role, i.e. that of reviewing, from a technical viewpoint, the work programmes of a substantive office in the light of the latter's mandate and of their suggestions. At least one of them, the "Committee on Crime Prevention and Control", is mandatory, having been established by General Assembly resolution 415 (V) as a result of the 1950 agreement between the United Nations and the International Penal and Penitentiary Commission. UNIDO, for its part, has a "Group of high-level experts on long-range strategy for the activities of UNIDO" (General Assembly resolution 2823 (XXVI)).

25. Others, like the Statistical Office's "Expert Group for the revision of the Standard International Trade Classification", though of the recurrent type, advise not on an office's programme as a whole, but on specific projects. A somewhat special body in this same category is the "Ad hoc advisory committee for the research and training programme in regional development", which, after convening in 1967, 1970 and 1972, will meet again in 1974 or 1975 and which reviews and helps formulate the programme not of one, but of the several offices of ESA active

in this field, i.e. the Social Development (SDD), Public Administration (PAD) and Population (PD) divisions and the centres for Housing, Building and Planning (CHBP) and for Development Planning, Projections and Policies (CDPPP). The same is true of the "Meeting of Experts on the United Nations Programme in Public Administration".

26. The Office for Science and Technology's (OST) "Ad hoc expert group on the World Plan of Action" is unique in its kind, since it is in fact a task force of four scholars of the University of Sussex, headed by a former staff member.

27. In a separate category are some of the meetings convened by UNIDO, where the decisive element is deemed to be not the "tangible product" (i.e. report or paper), but the "meeting of minds", which may lead to bi- or multi-lateral co-operation.

28. Most Ad hoc groups are convened for one or two sessions, usually lasting not more than one week, to examine and advise on a specific technical question. Some merely pinpoint the issues connected with a given project, whereupon additional studies (often by consultants) may follow, these are then reviewed at another meeting of the same group, the whole culminating in a report. If the group is called at the initiative of a legislative or programming body^{7/} (which is infrequent), the report may be referred to the latter. Usually, however, the findings serve essentially for the "advanced education" of the Secretariat or for use in connexion with technical co-operation activities. Occasionally, after reworking by the Secretariat, they may go to a seminar which, in its turn, produces a report and this may or may not be published.

29. Experts participating in meetings of Ad hoc groups are normally invited to do so not as representatives of their respective governments, but "in their personal capacity", even though they may be, and in fact often are, government officials. They are entitled to their return air fare (tourist class), to a per diem allowance for the duration of the session, and only exceptionally to a fee - usually not more than \$500 - for their services.

30. The groups meet normally at the headquarters of the Office concerned (i.e. New York, Geneva, Vienna, etc.), but they may be held elsewhere (e.g. for reasons of geographical convenience, or at the invitation of a government). In the latter event, in conformity with General Assembly resolution 2609 (XXIV), the additional cost of holding the session away from a headquarters should be met by the host country. Here again, however, occasional exceptions are made.

^{7/} In the context of this report, the term "legislative or programming body" is used when referring to such bodies as the various subsidiary bodies of the Economic and Social Council.

31. The extent to which consultants are involved in connexion with meetings of Ad hoc expert groups is surprisingly large. Thus, for a meeting on "Pulp and Paper" held in Vienna in September 1971 under UNIDO auspices and attended by twenty-two experts, nineteen observers and seven UNIDO staff members, at an official cost of \$18,000, no less than thirteen consultants were engaged in addition to the participating experts (one to assist in the preparation of the meeting, nine to write papers, two to act as rapporteurs and draft the final report, and yet another to finalize the report). The fees paid to the consultants totalled \$8,945, or roughly 50 per cent of the cost of the meeting, the actual cost of which, therefore, was not \$18,000 but almost \$27,000.

32. The Inspectors note with approval in this connexion, a suggestion made in UNIDO that, whenever possible, the final report of such meetings should be prepared by professional editors from the staff who would attend the session and work in close consultation with the secretary and the experts themselves. In addition to saving money on consultants' fees, this would have the advantage of saving time. The Inspectors were told of a case - and this is merely one among many - in which a report entrusted to a consultant had not been delivered more than fourteen months after the meeting in question, where a professional editor from the regular staff could have done the job in four to six weeks.

IV. THE REASONS INVOKED TO EXPLAIN THE GROWING RECOURSE TO OUTSIDE EXPERTISE

33. The reasons most often invoked to explain the extensive recourse to the services of outside experts are:

- the changing role of the Secretariat;
- the inability of the regular staff to meet all the demands that result from this changing role.

The changing role of the Secretariat

(a) The functions of the Secretariat have changed considerably over the years. Whereas during the first decade or so of its existence its main functions were to service meetings and conferences, collate the data for and publish various statistical surveys and engage in a limited amount of basic research, it is now expected not only to do that, and on an expanding scale, but also to provide advice and technical assistance on a growing number and variety of subjects, covering most of the world's problems and ranging from the ocean bed to outer space. As a result,

its work-load has both greatly expanded and is becoming more and more diversified; moreover, these trends are likely to continue.

(b) The work has become, we are told, more and more technical, especially (but by no means exclusively) in the field of economic and social development, where specialization in processes and techniques is so fragmented and developments are so rapid that no staff member, however competent, could be expected to cover more than one or at best a few related fields, and only relatively brief assignments can procure the desired continuous input of top-quality expertise.

(c) All this work, it is claimed, results from legislative or programming decisions by the various parent bodies and is therefore mandatory.

The inability of the regular staff to meet all the demands that result from this changing role

(d) In an effort to meet these demands, we are told further, the established staff has expanded, and a considerable number of specialists have been recruited over the years. But then no amount of recruitment can, it is argued, assure the range and degree of expertise needed to deal with the growing demands; lastly, even staff members originally recruited for their expertise in a given field in time become, apparently, generalists.

(e) However competent or able a staff member may be, only a small number, we were told, are able to draft a good technical study - they may possess the necessary knowledge, but they do not know how to marshall their facts or present them. One head of division said that of the twenty-six Professional members of his staff in 1971, only five had proved capable of drafting papers.

(f) Also the regular staff is often heavily involved in "day-to-day" work, much - some would say too much - of it of a routine or administrative nature, and has little if any time for the concentrated research, reading and reflection needed to keep its knowledge up to date, or produce an original study on a complex technical subject.

(g) Government offices and business firms, despite the advantages they enjoy in attracting specialist staff, are making increasing use of consultants as a means of overcoming the problem arising out of the increasingly technical nature of their work, and the shortage of personnel qualified to deal with them. This shortage is, we are told, even more acute in the United Nations Secretariat where, owing to retirements, separations and employment offers refused, there is hardly an office which does not suffer from a high proportion of vacancies. In such cases, consultants are said to provide the only solution.

(h) It is sometimes inappropriate, we are told further, for a staff member to voice ideas or make recommendations which are deemed essential to stimulate discussion, or to promote action; an outside expert, on the other hand, can do so.

(i) A study by a recognized expert in a given field is, it is said, likely to carry more weight than one by an anonymous international official. Also, the independent expert may often have access to information which would not be as easily available to the official. Moreover his intervention can have a stimulating effect upon the Secretariat by producing new ideas and suggesting new approaches to problems. Lastly, because he is not a cog in a machine, he is more free to travel and collect information on the spot. In general, he is likely to be broader and more impartial in outlook than a desk-bound official.

(j) Much of the work involves "on site" fact-finding, etc., i.e. travel. Staff travel funds being what they are, the hiring of a consultant sometimes makes it possible to charge travel to consultants' funds and to save staff travel money for some other purpose.

(k) Some substantive offices claim that as a result of the overall economy drive in the Organization, they are sometimes denied access to the latest technical publications; they have no choice therefore but to hire a consultant to provide the same information - even if the cost is higher.

(l) Lastly, it is claimed, a consultant often provides "better value for money" than a regular staff member. For, in addition to being highly specialized, the work for which consultants are hired is essentially temporary or short term. It would, we are told, be uneconomical, both financially and in terms of manpower, to engage regular staff members for such work, since there would be no guarantee that their expertise would continue to be required once their assignment was completed.

(m) To all of this must be added the 1972 recruitment "freeze".

34. These various arguments in justification of the extensive recourse to outside expertise are not of equal weight, but none of them can be dismissed offhand. The Inspectors have attempted to assess their validity in the pages that follow.

V. THE VALIDITY OF SOME OF THESE REASONS - AN ANALYSIS

The changing role of the Secretariat

35. There is no denying that there has been a very substantial increase in the volume and variety of United Nations activities over the past decade, and in the consequent demands for advice, information and action made on the Secretariat. Nor can one dispute the growing technical complexity of many of these activities, with which any permanent establishment and especially one in which ability may not always be the only criterion for employment, may well be at pains to keep up.

36. On the other hand, it is equally hard to deny that quite a few other factors seem to contribute to the increasing recourse to outside expertise. Among those which the Inspectors propose to discuss in greater detail are:

- the involvement of the Secretariat in activities, some of which can be undertaken only through recourse to outside expertise, but for which:
(a) there is little or no authority from the competent legislative or programming bodies; and (b) in regard to which present legislative or programming controls are apparently inadequate;
- the still inadequate co-ordination of work programmes and the insufficient recourse to sources of information other than outside expertise;
- the often unduly ambitious nature of work programmes involving outside expertise.

(a) The authority for activities involving recourse to outside expertise

37. At the eighth session of the Trade and Development Board (TDB) in 1969 concern was expressed over expenditure on topics for which there was no legislative decision by the Conference, the Board or the various committees (A/7616), and at the tenth session in 1971, although the secretariat insisted that all projects^{8/} were related to some legislative or programme decision, misgivings were voiced repeatedly that control over the components of the programme were too lax and that priorities were not being respected (A/8415/Rev.1).

38. The Inspectors checked the authority for many projects involving the use of outside experts, acting individually or in groups. They found that a number of them were indeed initiated at the request of a legislative or programming body. But it is known that even in this the Secretariat is by no means passive. Indeed

^{8/} In the context of this report, the word "project" is used to denote any activity involving recourse to outside expertise.

the Secretary-General, in his comments on the Administrative Management Service's (AMS) 1971 survey of ESA, found cause to list among the "major problems" identified in the course of the survey "a questionable amount of promotional work ... by members of the staff often resulting in suboptimal allocation of resources" (A/C.5/1380). In addition, some projects are attributed by the Secretariat to some legislative or programming authority even though on closer scrutiny it appears that there was, in fact, no decision or consensus and that merely one or two members of a body at some point expressed interest in the topic, or that the body had decided on a more modest project.

A case in point is the project of a "World Geothermal Atlas", which seems to have originated at a United Nations-sponsored International Symposium in 1969, and which has already cost the United Nations at least \$5,000 in consultants' money. The substantive office concerned claims as the authority for this project ECOSOC resolution 1205 (XLII), and the report of the first (1971) session of the Committee on Natural Resources (CNR) (E/4909). The Inspectors checked these two references. They found that ECOSOC resolution 1205 (XLII) relates to "New Sources of Energy", but after "appreciating the significant role" of the Secretariat in promoting these new sources and after taking note "with appreciation" of the Secretary-General's progress report on the subject, it focuses its recommendations on the topic of "Solar Energy"; the expression "Geothermal Energy" is nowhere mentioned. It is mentioned, repeatedly, in the report of the CNR, where "geothermal energy was considered to show under specific circumstances significant promise for the future" and "a large number" of delegations expressed general support for the proposals included in a note by the Secretary-General (i.e. the substantive office) on the subject. In addition "one representative expressed the readiness of his Government to participate in the expenses for the establishment of a world catalogue or atlas of geothermal resources as contemplated in paragraphs 46 and 51 of the above document" - an expectation which, incidentally, did not materialize.

At its fourteenth session in February 1971, ACAST endorsed a suggestion of one of its Ad hoc working groups that OST, "engaging consultants as needed", carry out three or four case studies in depth on the subject of "Identification of problems on which research and development work of importance to developing countries could be carried out in laboratories of developed countries" (E/AC.52/L.120). The Office thereupon commissioned not three or four case studies, as requested, but eleven, and hired a twelfth consultant to analyze and summarize them. Cost: at least \$12,000. The Inspectors inquired into the practical results of the project and, specifically, whether the case studies had been followed up by concrete action. They were told that the Office concerned was not equipped for such action. Moreover those offices that are "equipped", were unlikely to become interested in this type of operational activity.

39. The above are merely two examples of what appears to the Inspectors to be an unduly liberal interpretation of the authority invoked to justify a project. There are other ways in which an often costly project may originate. The

Inspectors came across one example: the Director of an Institute in country "X" suggested that the United Nations take up the topic of sea-water penetration into groundwater, about which little is said to be known. The Secretariat has adopted the project as part of its groundwater studies. The consultant-to-be was at the time of writing on his way to Headquarters and a United Nations symposium is likely to be convened to "launch" the project, which could lead to the hiring of additional consultants and the calling of one or more Ad hoc expert groups.

(b) Present legislative and programming controls over such activities and their weaknesses

40. Frequently commitments are undertaken without fully appreciating their cost in terms of financial and staff resources.

41. The Inspectors looked, therefore, into the extent to which the legislative or programming decision cited as authority for a project involving the use of outside expertise specified such use and whether the Secretariat submitted accurate information as to its cost. They would recall in this connexion that as far back as 1953 the ACABQ urged that "in cases where a legislative body approves a project calling for specialized services not available in the Department ... the approving body would, of course, be informed that the execution of the project would entail expenditure for consultants" (A/2463). At its eleventh session, however, the TDB complained that only in one case had the financial implications of a project been submitted to and approved, first by the Committee on Invisibles and Financing related to Trade and then by the Board. It expressed the hope that such approval would be sought more often in the future (A/8415/Rev.1). At the first session of the CNR in 1971 some members felt unable to offer detailed comments even on the overall programme of non-operational activities of the United Nations "since insufficient supporting information was available on each proposal", specifically as regards statements of financial implications (E/4969).

42. The Inspectors found that the number of cases in which the necessary information was submitted was indeed small. All too often what a legislative or programming body does is merely to approve a programme or call for a certain project, no doubt because Member States assume that, in view of the constant growth of the permanent establishment, the work can be carried out without outside assistance. Whether the Secretariat can handle the project at all and how it will be handled - by the regular staff, or by means of individual consultants or groups of experts, or by a combination of the three - is left in most cases to the

Secretariat or, in effect, the office or official in charge to decide. Very often the latter's view of the areas and subjects to be covered is primarily its or his own and raises the question whether or not what is sought in the way of consultants' studies is really in accord with what governments had in mind in approving the programme initially. Moreover the information provided - when provided at all - is often incomplete and therefore in effect could be misleading.

43. An example of this is provided in the annual Budget Estimates on the subject of Ad hoc expert groups. As stated earlier, these groups have benefited extensively from the services of consultants. And yet the expenditure on these consultants was not included in the cost of Ad hoc expert groups because of a technicality: the consultants were funded under a different sub-chapter of the Budget.

44. At the fifty-second session of ECOSOC, the Economic Committee was given by the Secretariat the anticipated cost of an "Intergovernmental panel of specialists" (read "Ad hoc expert group") to be called in connexion with the project of a United Nations Water Conference which has been under consideration for several years. According to this document (E/AC.6/L.438/Rev.1/Add.1) the cost of the panel would be a mere \$6,025 (\$1,975 for interpretation, \$1,550 for pre-session documentation and \$2,500 for in-session documentation). This failed to include the travel costs and per diem of the experts which, depending on their number and their place of residence, could easily constitute a major item of expenditure. In this connexion, the Inspectors noted the statements made during the debate by two delegations to the effect that the Secretariat seemed able to absorb costs in connexion with certain complicated and voluminous activities which it favoured, but was apparently not able to do so when a proposal did not meet its own desires.

45. Another example in this connexion is the project for an International University, for which a comprehensive feasibility study was requested of the Secretary-General by the General Assembly in resolution 2573 (XXIV). During the debate on the above project, the Second Committee was informed that: "though the study ... would involve some expenditure, the Secretary-General believed that it could be absorbed within the available resources of the United Nations Budget". In due course two consultants were hired at a cost of some \$12,300 to carry out the project. Technically, the information provided by the Secretariat was correct, since "resources" in the form of consultants' funds were indeed available. The Inspectors, however, have grave doubts as to whether the hiring of consultants for an assignment which did not specify their use, can in fact be regarded as being "absorbed within available resources".

46. Since the ideal follow-up of such meetings (as of many or most consultants' studies) is stated to be their issuance as a United Nations sales publication, one should expect that the latter's anticipated cost be included in the original estimates of a project. This has never been done, presumably because printing costs, etc. came under another section of the Budget Estimates, yet they might be equal to and sometimes might even exceed the cost of the substantive aspects of the project.

47. The Division of Public Finance and Financial Institutions (DPFFI) is one of the largest consumers of outside expertise. None of the resolutions referred to by the Division as the authority for the projects the Inspectors studied mentions specifically the recourse to such expertise and consequently no statements of costs (which totalled for these projects alone in 1971 some \$59,000) seem to have been offered. ECOSOC resolutions 1358 (XLV), 1451 (XLVII) and 1452 (XLVII) provide merely ex-post facto endorsement of the work, respectively, of a "Round Table" and of a "Panel", for which many consultants were hired. One of the Division's Ad hoc expert groups is a virtually standing body whose function it is to work out "models" that will serve, hopefully, as bases for future bilateral tax treaties. Irrespective of how useful such "models", elaborated as they are by experts "acting in their personal capacity", can be to the future negotiating parties, this group cost at least \$78,343 in 1970-1971 alone. And yet no statement of costs has ever been made to the legislative body that endorsed the project in the first place and periodically votes in favour of its continuation.

48. In earlier years the Budget Estimates included sometimes (though not for all offices) precise information about the proposed use and number of consultants' man-months, sometimes even by programme component, as compared with regular staff funded under the regular budget or from extra-budgetary sources, as well as those "performed" in the preceding year. In recent years only the total amount of "requested" money has been specified - sometimes by office and sometimes with an indication of the purpose of the request, but no longer as related to regular and extra-budgetary staff man-months. This does not convey a true picture of the expenditure on these items.

49. Table A in annex I of the Budget Estimates (giving the expenditure by main activity, programme and object of expenditure - estimates, approved and actually expended, depending on the year) no longer singles out consultants, but gives a

total figure for "Temporary Assistance, Consultants and Overtime". Consultants' travel expenditure is likewise pooled with that of the rest of the staff.

50. Under existing programming and budgeting procedures (and this will not materially change with the new procedures being experimented with), control over expenditure can be exercised by Member States only at the appropriations stage. To make such control more meaningful and constructive, it is necessary that the information available to them on the cost of a programme and the means envisaged to carry it out be as realistic as possible. The Inspectors suggest, therefore, that:

- (a) estimates, appropriations and expenditure figures for "Outside expertise" (formerly "Individual experts and consultants" and "Ad hoc expert groups") should continue to be shown as separate items in all United Nations budget documents;
- (b) all programmes involving recourse to outside expertise should be so formulated as to provide explicit justification for such recourse;
- (c) the costing of such outside expertise should be broken down as follows: for individual experts - fees, travel, per diem, editing, translation, printing (if applicable); and for Ad hoc expert groups - fees, travel, per diem and consultants' costs (if applicable). Such costing should be as realistic as possible.

51. In 1946, the ACABQ recommended that starting in 1947 the annual accounts should include an annex specifying the names of and payments to all experts, together with the purpose of their employment (A/336). This information was provided once, in 1947 (Official Records of the third session of the General Assembly; Supplement No. 6) and never again. True, that first and only list consisted of 126 names. The number of consultants nowadays is so much larger that such information would be too cumbersome. The Inspectors suggest, however, that in future the Budget documents include a separate table (along the lines of that appended by UNCTAD to its annual "Consultants' register") giving, by office and in the usual three-year form, accurate estimates, appropriations and expenditure figures for "Outside expertise" (i.e. individual experts and consultants and Ad hoc expert groups, combined), broken down to show fees and travel costs.

52. This problem of realistic financial implications is crucial to the whole issue of control over United Nations expenditure, including that for outside expertise. The Chairman of the ACABQ spoke at length on it at the twenty-fifth session of the General Assembly (A/C.5/1310), as did the Inspectors themselves in their report on Documentation (A/8319 and Corr.1).

53. The Inspectors appreciate that it is not always easy, owing to the many potential sources of funding, to provide such estimates. On the other hand, they are aware that there is often considerable unhappiness in the Secretariat over the fact that legislative or programming bodies keep on voting new resolutions and calling for new activities without at the same time funding additional staff or authorizing additional travel. They suggest that the submission by the Secretariat each time of realistic statements of costs, as measured against available resources, might go some way to bringing legislative or programming decisions into line with available resources. This is all the more important in the case of new decisions, i.e. those which have lacked the benefit of prior examination in subsidiary bodies.

(c) The inadequate co-ordination of work programmes and the insufficient use of other sources of information

54. At its forty-ninth session, the Economic and Social Council adopted resolution 1549 (XLIX) on prior consultations on work programmes, in which it welcomed the general agreement among the secretariats of the organizations in the United Nations system to carry out prior consultations on work programmes and requested the Secretary-General to ensure, in all parts of the United Nations Secretariat under his overall responsibility, that such consultations were held on all draft work programmes and new proposals before they were considered by the intergovernmental bodies concerned. At the second session of the CNR the need was stressed for "carefully determining that a given activity was not being satisfactorily undertaken outside the United Nations system" (E/5097). At the tenth session of the TDB speakers likewise stressed the need to dovetail major research projects with those being undertaken by other organizations - in the specific case of UNCTAD, for instance, with GATT (E/8415/Rev.1).

55. As far back as 1948 the ACABQ opined that outside consultants should not be used "until the Secretariat is satisfied that expert advice in the particular field cannot be provided ... by one of the specialized agencies" (A/534).

56. The Secretary-General, for his part, admitted to the Committee for Programme and Co-ordination (CPC) at its fifth session that "it may perhaps be true that there are certain activities ... which could perhaps be handled with equal or

greater efficiency by intergovernmental organizations at the regional level or at the national level by a governmental organization or by private research institutions" (E/4793).

57. In its twenty-fourth report to the General Assembly (A/8408/Add.23) the ACABQ noted specifically that work on the transfer of technology was being carried out simultaneously by UNCTAD, UNIDO and ESA. The Inspectors would add that in ESA such work is being done in several offices - usually with the help of outside expertise. They note that work on building technology is being carried out simultaneously by UNIDO and ESA's CHBP, and on natural resources by UNCTAD, UNIDO and ESA's Resources and Transport Division (RTD).

58. The Inspectors were told that time and again one office learns about some study being undertaken by another office on a subject in which it, too, has an interest only once it is under way or already completed. In the best of cases, offices get to see one another's work programmes; but even these are communicated mostly "for information", not for comment or suggestions.

A consultant was recruited in 1971 by UNIDO at a cost of \$6,000 to undertake a complex study on "Future trends in the competition between natural and synthetic rubber". Two other consultants were contracted that very year by UNCTAD at a cost of \$11,500 to report on "The profitability of new investment in natural rubber". Likewise in 1971, a consultant was recruited by UNIDO, at a cost of \$2,000, to collect data and prepare a study on "Proteins from hydrocarbons" and this, irrespective of the continuing activities in the field of proteins undertaken, likewise with the help of many consultants, by ESA's OST.

In 1971-1972 the Outer Space Affairs Division (OSAD) of the Department of Political and Security Council Affairs (DPSCA) contracted three consultants to prepare studies, respectively, on "Earth resource satellites and their possibilities" (cost: \$2,000), "Aerospace remote sensing of agriculture, natural resources and man's environment" (cost: \$2,000) and "The political and legal implications of remote sensing of the earth by satellites" (\$2,000). But in 1969-1970 RTD had already contracted for two consultants' papers, on the subject of "The feasibility of using earth-orbiting satellites, photography and remote sensor data obtained from such satellites, for the purpose of mapping and natural resources inventories" (cost: \$2,525) and of "The legal aspects of remote sensing applications from the air and outer space in the field of natural resources" (\$1,600).

59. The Inspectors doubt whether there was adequate co-ordination between the offices concerned. They doubt, in particular, whether a study of the legal aspects of this latter project falls logically within the competence of ESA's RTD.

60. The Social Development Division (SDD) at Headquarters has the great advantage of being able to turn for special knowledge unavailable in the Secretariat to two institutes: the United Nations Research Institute for Social Development in

Geneva and the United Nations Social Defence Research Institute in Rome. With the former the Division has close personal and organic ties and the work programmes of the two bodies appear to be well co-ordinated. With the latter, a more recent body, these ties appear to be looser and co-ordination less advanced. Noting the extensive work programme of the Division in the field of social defence (which accounted for at least \$16,000 in consultants' fees in 1969-1971) and the highly specialized nature of this subject, which is the *raison d'être* of the Rome Institute, the Inspectors hope that co-ordination between the two offices will become even closer and that in future the Division will entrust much of its research in this field to UNSDRI.

A consultant was hired at a cost of \$3,000 to prepare a report on "The growth prospects of the Latin American automotive industry during the Second Development Decade". An expert was paid \$4,230 to visit nine Latin American countries, and prepare a survey on "Fertilizer production facilities in Latin America". A third consultant was hired at a cost of \$750 to write a study on "Industrial policies and strategies in Latin America". Yet another one was hired, at a cost of \$1,775, to travel to Quito "to establish contacts with the Government and write a report on the reasons for the under-utilization of the fertilizer and pesticide industries". A consultant was paid \$6,350 to prepare a paper on "The development of small-scale industries away from the metropolitan areas, mainly focused on the experience of Latin America". A consultant was hired at a cost of \$2,500 to undertake an exploratory study on "Choosing the location of international competitive, multinational and endoregional industrial enterprises within an economically-integrated East African community". Another was hired for \$1,610 to write a study on "Industrialization in East Africa". Yet another expert was hired at a cost of \$1,200 to write a study on "The situation and perspectives of the aluminium-producing industries in the ECAFE region". A consultant was hired at a cost of \$2,000 to undertake a "Survey of policies being implemented and the machinery established in selected Middle Eastern countries, etc.". Lastly, two consultants were hired at a cost, respectively, of \$2,300 and \$2,000, to undertake a "Comparative and analytical study of existing industrialization in selected Middle Eastern countries".

61. None of the consultants mentioned above came from the region they were called upon to study; indeed some of them had to travel long distances to carry out their assignment. While they do not question the qualifications of these consultants and while they recognize that in exceptional cases expertise may be so rare as to override other considerations, the Inspectors believe that technical expertise does not stand on its own, but that it should be viewed against the background of local conditions with which a consultant hired from afar, however technically competent, may not necessarily be conversant.

62. The Inspectors note that under UNIDO regulations - and this safeguard appears to be unique to UNIDO - requesting officers should consult with the regional economic secretariats and UNESOB before including in their work programme regional or interregional assignments and this, to avoid possible duplication. They hope that this clause will be more strictly observed in the future in UNIDO itself and suggest that it should be included in the rules proposed in paragraph 221.

63. A consultant was hired by UNIDO at a cost of \$1,500 to write a study on "Radio isotopes and radiation in industrial development". As far as the Inspectors know, this has been a major area of study of the IAEA for many years. Was a new study needed, and if so, could not the IAEA have provided the required information? Was the project co-ordinated with IAEA?

64. The above examples relate to possible sources of information both within and outside the United Nations family. Indeed it seems to the Inspectors that greater efforts could be made to "tap" such possible sources as government departments, universities, research institutions and the like, especially in the case of strictly factual or statistical information (for instance, the many "country case studies") which other organizations of the United Nations family seem sometimes able to obtain free of cost.

65. The Inspectors are aware that some degree of duplication or overlapping is unavoidable in so large and diversified an institution as the United Nations family, where each agency or office may claim its own particular angle of approach to a problem of general concern. The proliferation of legislative and programming bodies leads necessarily to a fragmentation of decision-making. Several offices may invoke legislative or programming decisions which may overlap but which, they feel, are binding nevertheless. The Inspectors are informed of the efforts already being made to achieve better co-ordination and exchange of information within the United Nations family. FAO and UNCTAD, for example, hold at six-monthly intervals inter-secretariat meetings and as a result, in some cases co-ordination seems to have evolved into constructive co-operation. UNCTAD and UNIDO do likewise with, apparently, more uneven success. In view of the concern increasingly voiced in various bodies, by the ACABQ and by the Secretary-General himself in this regard, they trust that these efforts will be intensified.

66. They suggest specifically that when an office plans a study involving outside expertise in which other offices may have a close interest or past experience, it should communicate to them its outline, consult them as to its choice of a consultant and, if time allows, obtain their views on the completed "product".

(d) The over-ambitious or unrealistic nature of programmes involving recourse to outside expertise

67. Noting that the funds appropriated for consultants' and Ad hoc meeting group programmes of many offices and of the United Nations as a whole were often underspent (Table 3), the ACABQ has on a number of occasions suggested that these programmes were "over-ambitious" or "unrealistic" (A/6707, A/8406).

68. Since 1963 the rate of underspending on outside expertise for the Organization as a whole has ranged from a low of 3.6 per cent (in 1970) to a high of 27.9 per cent (1966). Only three times has expenditure exceeded appropriations - in 1968 (by 3 per cent), 1969 (2.3 per cent) and 1971 (5.5 per cent). Expenditure on individual consultants has exceeded appropriations four times - in 1968 (by 37 per cent), 1970 (1.5 per cent), 1971 (15.7 per cent) and 1972 (1.6 per cent); in other years underspending ranged from 1.8 per cent (in 1967) to 26.2 per cent (1966). In the case of Ad hoc expert groups, appropriated funds were overspent twice - in 1963 (by 3.7 per cent) and in 1969 (30.2 per cent); in other years underspending ranged from 14.8 per cent (1965) to 69.7 per cent (1968).

69. ESA, as a whole, has in recent years consistently overspent its consultants funds - in 1969 by 4.9 per cent, in 1970 by 4.6 per cent and in 1971 by 3.1 per cent. In individual offices, however, the balance of funds outstanding at the end of the year was as high as 67 per cent in 1969 (Office of the Under-Secretary-General), 60 per cent in 1970 (Statistical Office) and 48.1 per cent in 1971 (CDPPP) (for 1971 see Table 4.1). In fact, only one office - RTD - overspent its consultant allocations two years running - by 10 per cent in 1970 and by 29.1 per cent in 1971 (in the last case, probably owing to its last-minute contribution to the Stockholm Conference). An analysis of individual projects is equally revealing. For instance in 1971 OST overspent on only one of its projects - by less than \$8,000, and underspent on all the others - by almost \$14,000.

70. UNIDO's use of consultants' funds in 1971 shows an even higher rate of under-expenditure - 45.5 per cent for the organization as a whole, the figures for individual offices ranging from 35 to 65 per cent.

71. UNCTAD, on the other hand, seems to have overspent its consultants' funds in both 1969 and 1970 - by, respectively, 2.7 and 2.3 per cent, and underspent them in 1971 - by a mere 0.08 per cent.^{2/}

^{2/} UNCTAD's data is not broken down by division.

Table 3^{a/}

United Nations^{1/} Ratio of Expenditure to Authorizations for Outside Expertise 1963-1972
(in US dollars)

Year	Consultants		Approx. unspent balance %	Ad hoc expert groups		Approx. unspent balance %	Total Outside expertise		Approx. unspent balance %
	Appropriations \$	Expenditure \$		Appropriations \$	Expenditure \$		Appropriations \$	Expenditure \$	
1963	434,000	354,360	18.4	140,000	145,175	(3.7)	574,000	499,535	13
1964	511,200	439,250	14.1	139,800	114,960	17.8	650,000	554,210	14.9
1965	675,500	647,155	4.2	97,000	82,685	14.8	772,500	729,840	5.5
1966	1,277,500	941,900	26.3	265,500	170,170	35.9	1,543,000	1,112,070	27.9
1967	1,144,000	1,122,930	1.8	458,000	244,410	46.6	1,602,000	1,367,340	14.7
1968 ^{b/}	983,700	1,348,491	(37.1)	459,800	139,070	69.8	1,443,500	1,487,561	(3.1)
1969 ^{b/}	1,475,700	1,415,498	4.1	335,900	437,001	(30.1)	1,811,600	1,852,499	(2.3)
1970 ^{b/}	1,742,200	1,769,112	(1.5)	508,300	401,067	21.1	2,250,500	2,170,179	3.6
1971 ^{b/}	2,082,800	2,409,605	(15.7)	679,600	503,670	25.9	2,762,400	2,913,275	(5.5)
1972 ^{b/}	1,739,900	1,768,264	(1.6)	499,500	363,742	27.2	2,239,400	2,132,006	4.8

a/ Sources:

Appropriations

Expenditure

1962: A/5205	A/5505
1963: A/5505; A/5205/Add.1	A/5805
1964: A/5805; A/5505/Add.1	A/6005
1965: A/6005	A/6305
1966: A/6305; A/6005/Add.1	A/6705
1967: A/6705; A/6305/Add.1	A/7205, volume I
1968: A/7205, volume I; A/6705/Add.1	
1969: A/7606, volume I; A/7205/Add.1	
1970: A/8006, volume I; A/7606/Add.1	
1971: A/8406, volumes I and II; A/8006/Add.1	
1972: A/8706, volumes I and II; A/8406/Add.1	

Expenditures for 1968-1972 were provided by United Nations Secretariat, Office of Financial Services (Budget Division); UNCTAD, Office of Administration; UNIDO, Financial Services.

b/ Indicative figures only. In many cases, other figures than those provided by the Office of Financial Services (Budget Division) have been reported to the Inspectors by individual offices that had recourse to outside expertise.

1/ Excluding HCR.

Table 4.1^{a/}

United Nations/ESA Status of Expenditure of Funds for Outside Expertise 1971

Consultants
(in US dollars)

Office	Estimates	Authorized	Committed at 31 May	Committed at 31 August	Expended at 31 December		Balance		Comments
	\$	\$	% 1/	% 1/	\$	% 1/	\$	%	
Office of Under-Secretary-General	7,200) 40,000	40	49	55,084	137.7	(15,084)	(37.7)	at 31 July at 15 August at 25 August at 5 August at 30 June ^{b/} at 18 August at 30 June
Office of Deputy to Under-Secretary-General	-				-	-	-	-	
Centre for Development Planning, Projections and Policies	26,800	37,000	21	46	19,212	51.9	17,788	48.1	
Centre for Housing, Building and Planning	115,200	101,000	40	78	90,398	89.5	10,602	10.5	
Population Division	36,800	26,000	73	59	21,516	82.8	4,484	17.2	
Public Administration Division	4,400	10,000	50	50.5	8,631	86.3	1,369	13.7	
Division of Public Finance and Financial Institutions	52,800	62,000	55	81	59,285	95.6	2,715	4.4	
Resources and Transport Division	148,000	144,000	81	94	185,905	129.1	(41,905)	(29.1)	
Office for Science and Technology	74,000	60,000	27	52	46,460	77.4	13,540	22.6	
Social Development Division	124,000	98,000	28	69	98,629	100.6	(629)	(0.6)	
Statistical Office	62,200	37,000	50	111	49,009	132.5	(12,009)	(32.5)	
Total	651,400	615,000	49	75	634,129	103.1	(19,129)	(3.1)	

a/ Source: Secretariat.

b/ Includes \$44,200 for Environment.

1/ Percentages are based on authorizations.

Table 4.2^{a/}

United Nations/ESA Status of Expenditure of Funds for Outside Expertise 1971

Ad hoc Expert Groups
(in US dollars)

Office	Estimates	Authorized	Committed at 31 May	Committed at 31 August	Expended at 31 December		Balance		Comments
	\$	\$	% 1/	% 1/	\$	% 1/	\$	% 1/	
Office of Under-Secretary-General	-	-	-	-	-	-	-	-	-
Office of the Deputy to Under-Secretary-General	-	-	-	-	-	-	-	-	-
Centre for Development Planning, Projections and Policies	-	-	-	-	-	-	-	-	-
Centre for Housing, Building and Planning	21,300	26,500	10.5	31.1	14,558	54.9	11,942	45.1	-
Population Division	24,000	44,500	66.8	63.8	28,876	64.9	15,624	35.1	-
Public Administration Division	28,500	23,000	98	98	22,567	98.1	433	1.9	-
Division of Public Finance and Financial Institutions	30,700	29,000	49.6	72.4	41,751	144	(12,751)	(44)	-
Resources and Transport Division	48,300	44,000	47.9	46.1	30,162	68.5	13,838	31.4	-
Office for Science and Technology	17,600	20,000	59.6	57.9	20,566	102.8	(566)	(2.8)	-
Social Development Division	26,000	25,000	53.8	92.3	24,159	96.6	841	3.4	-
Statistical Office	24,500	21,000	-	-	-	-	21,000	100	-
Total	220,900	233,000	49.7	58.4	182,639	78.4	50,361	21.6	

^{a/} Source: Secretariat.^{1/} Percentages are based on authorizations.

72. Much of the consultants' money allocated to the Division of Human Rights in recent years has remained unspent, essentially because on certain problems expertise or information is not readily available. Thus of the \$106,250 allotted to the Division in 1969-1971 only \$38,880 were spent. In 1970, the Office of Legal Affairs had originally programmed for \$77,500. For various reasons it had to adjust its estimates to \$33,600, of which in the end it spent only \$29,150.

73. The situation of Ad hoc expert groups is much the same. For ESA as a whole, the balance of unspent funds was in 1969 8.8 per cent, in 1970 16.3 per cent, and in 1971 21.6 per cent. But in individual offices it was in 1969 as much as 14.6 per cent (RTD), in 1970 37.3 per cent (DPFFI) and in 1971 100 per cent (Statistical Office). During these three years only two offices overspent their appropriations, both of them in 1971: DPFFI by 44 per cent and OST by 2.8 per cent (Table 4.2).

74. A number of reasons are advanced for this - some of them, doubtless, beyond the Secretariat's control, others, however, clearly within its control. There are, to begin with, the various unforeseen legislative or programming initiatives and the consequent need to revise priorities, slow down or "freeze" some earlier approved projects, cancel them altogether and initiate others in their stead. There is also the problem of finding the right consultant and/or finding him at the right time. Some Ad hoc groups or other technical meetings, for which consultant contributions were commissioned, have to be postponed or even cancelled because of a host country's last-minute change of mind or because of political events there or in the region. On the other hand, the Inspectors were able to identify quite a few projects involving individual consultants or groups of experts which appear to have been delayed, or "frozen", or cancelled at the Secretariat's own initiative or because they were started before adequate financing was assured or before they had been approved at the legislative or programming level. Some underspending is due to the charging of consultant funds to vacant posts. Lastly (though this is not so much an instance of underspending, as of the sacrificing of earlier approved activities to last-minute reprogramming by the Secretariat), some offices may be denied already allocated funds so that others may undertake additional or unprogrammed activities.

A study on "Urban land policies and land use control", was included in the work programme of CHBP following the second session of the Committee on Housing, Building and Planning. Owing to the magnitude of the task and the limited resources available for this project, it was

decided to undertake it in stages. Started in 1966, it has involved to date five regional studies (produced by ten consultants), an Ad hoc group of eight experts and an interregional seminar, at a total cost of at least \$77,000, in both regular budget and UNDP/TA funds. The global report, originally programmed for July 1972, is expected to be completed in 1973, but although its publication was approved - for a further estimated cost of \$11,000 - back in 1970, it is not expected to appear before 1975. When the Inspectors questioned whether its findings would not by then be obsolete, they were assured that "developments in this field are sufficiently slow to justify the investment". The Inspectors still wonder.

Another project delayed for lack of resources is the report of a group of experts on "Projections and planning in cartography for the Second Development Decade", which met in November 1971. The final report will hopefully be available by the fall of 1973, i.e. two years after the meeting took place and well into the Decade it was designed to contribute to.

A project on "Social indicators for housing and urban development", is "frozen" after an initial expenditure of at least \$9,000.

An annotated outline for a symposium on "Energy policies and international fuel competition" has been completed at a cost the Inspectors were unable to ascertain, but cannot be used because the symposium has not been held, again for lack of funds.

A consultant was contracted in 1971 for \$4,500 (plus travel and per diem) to write a paper on "Methods of international co-operation in the development and utilization of hydrocarbons with particular emphasis on developing countries" for potential use by an interregional symposium on "Co-operation among developing countries for the development of hydrocarbons" scheduled to be held in 1973. The office concerned requested UNDP financing for this symposium only in 1972. Whether the request will be granted was at the time of writing not known.

The World Water Conference which has been under consideration for several years now and which, as matters stand, can hardly be held earlier than 1975, has not yet been approved by ECOSOC or the General Assembly. Nevertheless, a number of consultants' studies and expert group or panel meetings have been contracted, held or planned, in anticipation of that Conference.

In yet another case funds are available for a proposed symposium, the consultants' contributions are ready or under way - only a host country has still to be found.

75. The Inspectors were told that if the Secretariat were to wait until funds were approved before launching a project, the latter's time-table might be jeopardized. Moreover, in the case of meetings financed by UNDP, there is, under present procedures, no advance guarantee that funds will be forthcoming; either one goes ahead in the hope that money will be found eventually, or one has to freeze or even cancel a programme or project. The former course is judged preferable, since in the event of lack of UNDP support, one can always reprogramme or obtain funds from other sources. The Inspectors hope that some improvement will come with the introduction of a biennial programming cycle.

76. That some Ad hoc expert group meetings are not as thoroughly prepared as they should be has been confirmed to the Inspectors by some of the substantive offices themselves. Ideally, they were told, participating experts should receive the documentation at least four to six weeks in advance; indeed one acting head of division feels that preliminary comments on this documentation should be required in writing, as evidence that the experts have studied it. This is not always the case; some meetings receive their documentation only the day they convene. This may be due to the regular staff being engaged in other work, or to delays in the consultants' time-table. Be this as it may, such meetings can do little more than rubber-stamp the Secretariat's (or consultants') findings and/or recommendations, thus calling their own usefulness into question.

77. The Secretariat maintains that whether used as originally intended or not, these various consultant contributions "stand on their own feet" and provide a fund of knowledge and experience that can always be put to use within an office's work programme. This may be so in some cases, but in others the material is bound to require up-dating, which may mean additional consultants or meetings. Moreover, by such standards virtually any work done or commissioned can "stand on its own feet". It seems to the Inspectors hardly wise, considering the general scarcity of funds, to give the "go ahead" to projects which, however valid, may not come to fruition. Moreover, if such projects can "stand on their own feet", i.e. do not require "vetting" by a representative group of experts, it is not clear why the latter need to be called at all, unless it is merely to give a sort of "aura of authority" to findings and recommendations, the validity of which might otherwise be contested.

78. Generally, the Inspectors cannot help wondering whether in some cases the offices concerned do not programme - and contract consultants or schedule meetings - without assuring themselves that the idea is mature or has wide enough acceptance and support. Thus in 1971 a meeting of experts was convened in Addis Ababa on the "Co-ordination of building research in Africa". Of the eight African countries invited, only four attended. Once again this poses the question of priorities: are there not more urgent projects in the programme, and if not, would it not be preferable to use the money elsewhere in the Organization, if at all?

79. Many high officials of the Secretariat admit that the programmes prepared at the beginning of the year often have little relation to what actually happens. A few go further still and suggest that much of what is programmed and done has

little relation to the genuine needs of the developing countries, being tailored essentially to the amount of available funds, the ideas of this or that Director and the availability of expertise in this or that field.

80. The Inspectors feel that the problems referred to above relate to the whole present concept of outside expertise, the mutual relationship between individual consultants and expert groups and the purposes they should, but do not necessarily, serve.

81. According to the Secretary-General, another reason for the underspending of funds approved for outside expertise is the charging of consultants' fees to vacant posts (A/8406).

82. Since the early 1950's the ACABQ has repeatedly expressed concern over the practice of paying consultants or other temporary assistance from savings arising out of prolonged vacancies in established posts. For their part, the Internal Auditors in their 1965 study on the use of temporary assistance contracts in the United Nations, ruled that "work contracted on a temporary basis should not be charged against established posts accounts".

83. According to the Secretariat, this is made necessary by unforeseen additions to programmes, and by the continued failure to fill vacant posts in the regular establishment. Moreover, so the argument continues, such transfers within sections of the Budget are not prohibited under existing financial regulations; if they were, the Secretary-General would be deprived of the flexibility he must have in order to cope with the unforeseen.

84. Indeed, at present, as ESA's internal directives of 1970 make clear, "if an established post at the corresponding or at a higher level happens to be unencumbered, even though it is under recruitment, there would be no objection to temporarily utilizing this vacant post for the duration of the consultant's short-term or fixed-term appointment, thus relieving the divisional consultant allocation of the corresponding charge".

85. The Inspectors heard many complaints about the tendency of some offices, on account of the frequent over-budgeting of funds for outside expertise, to spend during the second half of the year whatever money may still be available, even if this means improvising some project of questionable relevance and contracting a consultant of mediocre quality, for fear that were any money to remain unspent, their requests in the following year would be trimmed proportionately. They were

also told that some offices "pad" their annual programme, by including Ad hoc meetings it is not their intention to convene, on the assumption that the programme will be cut anyway.

86. The Inspectors studied the status of expenditure of funds for outside expertise in ESA at 31 May, 31 August and 31 December for the years 1969, 1970 and 1971 (since individual offices may use different terminal dates, some of these figures are merely indicative).

87. Taking 1971 as an example, we find that by midsummer CDPPP had spent (or committed) 46 per cent of its consultants' funds, spending during the remaining months an additional 5.9 per cent. For CHBP the figures are, respectively, 78 and 11.5 per cent; for the Population Division (PD) 59 and 23.8 per cent; for the Public Administration Division (PAD) 50.5 and 32.3 per cent; for DPFFI 81 and 14.6 per cent; for RTD 94 and 35.1 per cent (i.e. 29.1 per cent above its allocation); for OST 52 and 25.4 per cent; for SDD 69 and 31.6 per cent (i.e. 0.6 per cent above its allocation) and for SO 111 and 21.5 per cent (i.e. 32.5 per cent above its allocation). The Offices of the Under-Secretary-General and of his Deputy (combined) had spent, respectively, 49 and 88.7 per cent (i.e. 37.7 per cent above their allocation) (Table 4.1).

88. As regards Ad hoc expert groups, the figures for 1971 are: CHBP 31.1 and 23.8 per cent; PD 63.8 and 1.1 per cent; PAD 98 and 0.1 per cent; DPFFI 72.4 and 71.6 per cent (i.e. 44 per cent above its allocation); and SDD 92.3 and 4.3 per cent and SO zero per cent (Table 4.2).

89. UNIDO's expenditure figure on consultants for the last quarter of 1971 averaged 18.6 per cent for the organization as a whole; only in one division did it reach 26.7 per cent.^{10/}

90. Already in 1953 the ACABQ warned that "the use of consultants' funds already provided in a departmental budget on extra, unforeseen work, should not normally be regarded as legitimate, even where the total appropriation is not exceeded" (A/2413). Under rule 110.1 the Controller is responsible to the Secretary-General for ensuring, inter alia, that expenditure on consultants "is incurred only for the purpose as approved by the General Assembly". Rule 110.2 goes on to specify that "no transfers between allotments may be made except on the written authorization of the Controller".

^{10/} UNCTAD's records system is not geared to the above exercise.

91. It appears to the Inspectors that authorization to shift funds from one project to the other is given too liberally. As a result, other projects of approved priority are deferred or even scrapped altogether at the sole initiative of the Secretariat, without the competent legislative or programming authority having any say in this important matter. At best, it can but take note of a fait accompli.

The best example of this is ESA's contribution to the United Nations Conference on the Human Environment. As the Inspectors indicate elsewhere, ESA was originally not expected to make a major contribution to this venue. In the end various offices contributed over \$100,000 worth in studies or reports of apparently uneven substantive merits, paid for from consultants' funds. As a result, ESA's total consultants' allocation for that year (\$615,000) was exceeded by \$19,129.

92. The spending patterns of most offices, coupled with the difficulties that arise time and again with last-minute projects, point to the desirability of re-examining the mid-year reprogramming of consultants' funds "in the light of outstanding balances". At the very least, no projects should be approved for the last quarter of the year if they did not already figure in an office's initial programme, unless specifically called for, meanwhile, by a legislative or programming body. Moreover, in approving them, their initial priority should be respected unless very convincing reasons are advanced to change it.

The inability of the regular staff to meet the demands resulting from the Secretariat's changing role

93. The problem of vacancies does not require additional stress in this report. Suffice it to say that some of the offices which make the most extensive use of outside expertise are those which have also the largest number of vacant Professional posts; on the other hand, in some cases posts are kept vacant so as to allow for greater flexibility in the type of staff recruited.

94. The question whether and to what extent the work done by outside experts could be performed by the regular staff of the offices concerned raises major personnel issues (standards of professional competence, productivity, etc.) which have preoccupied Member States and have been since the early days of the United Nations the subject of numerous studies, some of which are still under way. Such issues lie by and large beyond the scope of this report. And yet it is unrealistic to question the present extensive recourse to outside expertise without touching upon at least some aspects of the problem.

95. The exercise is both difficult and unrewarding. Even the AMS has not been able to determine as fully and objectively as it would have wished whether existing manpower is being utilized effectively and efficiently because, for one thing, the art of management surveying, as now practised, is ill-suited to an institution like the United Nations Secretariat, where performance standards, output measurements, work quality indicators, etc., are not only inadequate, but are extremely difficult to devise.

96. The Inspectors came up against the same difficulties. They attempted, firstly, a sample analysis of some of the available statistical data. Taking ESA as a test case, they sought to calculate the ratio of consultants to regular staff over the last three years - in terms of approved established posts (from all sources of funding), in numbers of contracted consultants, and in terms of man-months performed by both under the regular programme (see Table 5).^{11/}

97. The former two figures are of only relative significance since consultants are by definition part-time workers. In terms of performed man-months, the average ratio for the Department as a whole was fairly reasonable: in 1969 - 9.5 per cent, in 1970 - 9.8 per cent, and in 1971 - 8.1 per cent. Inside the Department, however, this ratio varied widely from one office to the next - from 0.6 to 87 per cent in 1969, 1.6 to 29.4 per cent in 1970, and 0.8 to 25 per cent in 1971. The main users were the same offices in all three years - OST, DPFFI, PAD and RTD.^{12/} True, OST is, in terms of regular substantive staff, the smallest of the Department's substantive offices. In the case of most of these top consumers of outside expertise, however, one can say that the latter has become a sort of parallel establishment on which they depend to carry out a substantial part of their work.

(a) The capability of the regular staff

98. Bearing in mind that one of the main arguments put forward for the Secretariat's extensive recourse to outside expertise is the alleged lack of such expertise in the professional establishment, the Inspectors examined the so-called "fact sheets" of the Professional staff of some of the divisions and offices of ESA. Though they view such information with caution, they found that

^{11/} The Inspectors are told that man-months figures are strictly indicative, there being no means of checking the accuracy of the breakdowns presented by the substantive offices.

^{12/} How little this ratio means in actual life can be seen from the fact that at a time when PAD consisted of one established post - the Director, plus a staff of technical advisers, it produced with the help of consultants a "Handbook of public administration" which proved to be a "best-seller", has had several printings and is regarded as one of the best manuals in the field.

Table 5

United Nations/ESA - Professional Manpower Utilization (by Office) 1969-1972

Description	1969					1970					1971					1972				
	No. staff		Man-months (performed)			No. staff		Man-months (performed)			No. staff		Man-months (performed)			No. staff		Man-months (performed)		
	P ^{1/}	C ^{2/}	P	C	% ^{3/}	P ^{1/}	C ^{2/}	P	C	% ^{3/}	P ^{1/}	C ^{2/}	P	C	% ^{3/}	P ^{4/}	C ^{4/}	P	C	% ^{3/}
Executive direction and management	31 (2) ^{a/}	12	-	-	-	31 (1)	20	-	-	-	31 (6)	26	-	-	-	39 (7)	10	-	-	-
CDPPF	47 (20)	5 (3)	581 (59)	4	0.6	47 (21)	9 (1)	566 (49)	10	1.6	47 (24)	7 (7)	420 (186)	10	1.6	48 (26)	2 (10)	-	-	-
CHBP	26 (6)	23	259 (36)	28	8.7	26 (6)	27	323 (67)	48	11.0	26 (7)	39	384 (98)	60	11.1	26 (13)	29	-	-	-
DPFFI	11 (2)	28	110 (12)	46	27.4	11 (3)	45	132 (28)	54	25.2	11 (3)	25	131 (33)	28	14.6	11 (4)	16	-	-	-
Population	26 (4)	10 (3)	306 (9)	19	5.7	26 (5)	13	336 (132.5)	16	3.3	26 (7)	17	306 (185)	4	0.8	26 (15)	7	-	-	-
Public Administration	15 (8)	-	141 (44)	36	16.3	15 (8)	16	180 (66)	45	15.5	15 (8)	7	174 (74)	47	15.9	15 (14)	13	-	-	-
RTD	44 (28)	51	472 (33)	67	11.7	44 (30)	37	433 (25)	110	19.4	44 (30)	67	455 (305)	118	13.4	42 (33)	49	-	-	-
Science and Technology	7	57	84	60	71.4	7 (5)	25	96 (24)	50	29.4	7 (3)	36 (1)	120	30	25.0	7 (4)	14	-	-	-
Social Development	48 (10)	55 (4)	588 (75)	36	5.2	48 (9)	44	568 (45)	58	8.6	48 (14)	71 (8)	527 (85)	53	8.0	46 (15)	51 (18)	-	-	-
Statistics	57 (9)	11	-	-	-	57 (9)	7 (1)	658 (108)	28	3.5	57 (10)	12	672 (120)	26	3.2	58 (14)	8	-	-	-
Total	312 (89)	252 (10)	2,541 (268)	296	9.5	312 (97)	243 (2)	3,292 (544.5)	419	9.8	312 (112)	307 (16)	3,189 (1,086)	376	8.1	318 (145)	199 (20)	-	-	-

^{a/} All figures in parentheses refer to Regional Advisers (RA), Inter-Regional Advisers (IRA) and Extra-Budgetary (XB) posts.^{1/} Authorized (i.e. including vacancies)^{2/} Contracted^{3/} Consultants' percentage of total man-months (P, C, RA, IRA and XB)^{4/} Requested

Sources: 1969: A/7937; Secretariat (United Nations)
 1970: E/AC.51/52; Secretariat (United Nations)
 1971: E/AC.51/62; Secretariat (United Nations)

most of this staff appear to be - at least on paper - not only able, dedicated, versatile and indeed in some cases outstanding officials, but that their background and qualifications seem in most cases well related to their present responsibilities.

99. The Inspectors note that the AMS was also impressed by the generally high level of technical competence present in ESA but that it found that these skills were not utilized in the most effective and efficient manner, largely owing to poor management and failure to establish clear priorities.

100. Expertise is admittedly an elusive and fluid concept, which does not readily lend itself to measurement. Moreover, it is difficult for an outsider to challenge off-hand a statement by the head of a substantive office that he and his staff lack the expertise required to produce an authoritative study on a given subject. To do so he would not only himself have to be an expert in the subject in question, but also have a far more precise knowledge of the capabilities of the individual members of the staff concerned, than the "fact-sheets" provide.

(b) The respective responsibilities of regular staff and outside experts

101. The Inspectors sought to identify the respective responsibilities of regular staff and outside experts in the case of projects involving the latter. This turned out to be virtually impossible. True, in the original budget estimates of most offices each project is broken down according to the professional, inter-regional adviser, extra-budgetary and consultants man-months requested for it. But this presentation often varies from one office or secretariat to the next and from one year to the next; moreover, whether the breakdowns correspond to reality and what were in fact their respective contributions is difficult to say. The Inspectors have found that these figures are by and large abstractions; once a Director has received his allotment, he can use the various man-months as he chooses.

102. The Inspectors gathered that in one office each Professional staff member was expected to produce or to contribute to at least two to three substantive papers annually. Upon verification, the number of personnel contributions by the staff of this particular office was seen to actually exceed the above quota, even though the data in Table 2 do not appear to confirm this. Whether the same holds true elsewhere the Inspectors cannot say, but judging by the incredulous reaction to the mention of this quota system in other offices, they doubt it.

103. In UNIDO, of a total of 6,357 pages published between 1970 and 15 October 1972, roughly 40 per cent were written by consultants, 30 per cent by UNIDO staff and 30 per cent were a joint effort, in which the consultants' share usually prevailed. In individual years, however, consultants accounted for from 37.5 to 65 per cent, UNIDO from 25 to 37.5 per cent and joint efforts from 31 to 35 per cent.

104. Many officials insist that it is unrealistic to talk in terms of regular staff versus consultants, since in most cases projects involving the use of consultants require back-stopping by the office concerned which, according to one experienced official, may run to about fifteen man-days for a fifteen-page paper by a consultant. Indeed, experience confirms that such back-stopping is essential to the project's success, the lack of it being often one of the main reasons for failure. One thing is certain - hiring a consultant is not a simple operation. It involves a considerable amount of planning and administrative work. Apart from the initial work involved in establishing the programme or projects which provide the framework for his activities, a suitable candidate must be found (by no means always an easy task); the terms of his contract must be agreed; the consultant must then be briefed, his mandate and in many cases the outline of the project must be worked out and agreed with him; a bibliography may have to be put together; if (as is sometimes the case) the contract provides for intermediate reports, these must be studied and discussed with him; his mandate and the report itself may need modification in the light of new or unforeseen developments stemming from changes in the work programme of the office in question, or from unheralded meetings or from the findings of the consultant. Finally, the report may need extensive editing or even rewriting in order to make it suitable for circulation as, or incorporation in a United Nations document. Indeed, the amount of work involved in such back-stopping is one of the reasons why some offices are so averse to using consultants.

(c) The nature of consultants' assignments

105. The Inspectors attempted to gauge how much "expertise" the work entrusted to consultants actually calls for. Clearly many assignments for which they are hired require "individuals of special competence in highly specialized areas of work" (as the Secretary-General describes them in his 1973 Budget Estimates (A/8706)), who are unlikely to be found among the rank and file of the Secretariat, of indeed of any civil service.

106. Some projects, however, while calling for "special competence", do not appear to be beyond the average standard that should be expected of the Secretariat.

Two consultants were paid, respectively, \$6,000 to "assemble and review all the papers and resource materials prepared by ESA/CHBP and by other United Nations agencies as background documentation for the basic reports on item 1 of the Stockholm Conference" and \$750 to "consolidate four papers on the formulation of housing policy guidelines" for various countries in different regions of the world. A third was paid \$7,600 to complete the CHBP's report to the General Assembly, called for under General Assembly resolution 2598 and to edit the Centre's report on Housing, Building and Planning in the Second United Nations Development Decade. Two consultants were paid over \$10,000 to study the "Relative position of certain minerals as foreign exchange earners" and \$4,000 to make a "Survey of research projects on the technological aspects of transport", whilst a third was paid, as we have seen, over \$10,000 to study "The impact of petroleum on the economics of developing countries". Yet another was paid some \$7,000 to prepare, in consultation with various organizations, institutions and private individuals a study on "The possibility of establishing an International Advisory Group to assist the United Nations in mobilizing new investments for the developing countries".

107. Still other projects entrusted to consultants appear to be typical "in-house jobs", requiring a modicum of knowledge and experience but hardly "special competence".

In 1970 a consultant was paid \$1,900 to, firstly, "prepare a questionnaire to be sent to all former UNIDO individual fellowship holders", and then to process this questionnaire for follow-up, undertake research for additional data, and prepare an analytical report on final results. Another consultant was hired, at a cost of \$1,200, to prepare an article on UNIDO for the 1970 United Nations Yearbook, as well as eight feature articles on various aspects of the work of UNIDO. A third was paid by UNIDO \$1,500 to "assist in writing an initial paper on problems and techniques of priority industries based on material from the field available at headquarters". Yet another was hired by the United Nations "to work out proposals intended to ensure that the International Council of Scientific Unions will be involved in the preparation of the United Nations Conference on the Human Environment". The fee for this assignment was \$3,165.

One office actually complained that, owing to its inability to find an outside expert for a project, it had had to assign a regular staff member to it, as a result of which the consultant funds concerned had remained unspent.

108. Many such typical "in-house projects" are in fact assigned to former staff members. For instance, during 1970 one of these was paid \$5,310 to prepare a pilot study of an "Index of action taken by the ACC". Another earned some \$40,000 (over and above his pension) between 1965 and 1970 compiling a "Repertoire of the practices of the Security Council". The Inspectors will have more to say about this when commenting on the subject of the selection of consultants.

109. The Inspectors were struck by the amount of consultants' money used to edit various United Nations material. ESA alone, in the years 1969-1971, spent at least \$19,000 on this type of work, the fees varying from \$140 to \$1,610 per contract. And this does not include the many consultants contracted specifically to "edit", "revise", or "bring up to date" (or all three) their own work or that of other consultants.

110. The need for such editing is difficult to assess. There is no gainsaying that technical advisers and even consultants are often poor writers (though "the ability to write" is one of the reasons invoked to hire consultants in the first place). It is also true that the regular editorial staff of ESA has more work than it can handle. The question is: do technical papers - unless these are ultimately destined for publication - require editing over and above what can and should be done by the regular staff of the competent substantive office? Many responsible officials seriously doubt this.

111. One thing is certain: such editing should be paid for not from consultants' but from temporary assistance funds, in line with the Inspectors' insistence that these two types of funds be kept distinct. Moreover the contributions by consultants edited by such temporary assistance staff should be costed accordingly (i.e. it should include all related expenditures such as editing, translation, typing, etc.).

(d) The regular staff's involvement in "day-to-day work"

112. Since the lack of expertise can justifiably be invoked, as we see, only in the case of a fraction (however large) of the assignments involving consultants, the Inspectors studied the other main reason advanced for their extensive use, i.e. the pressure of "routine", "day-to-day" work. The Inspectors sought, therefore, to ascertain in the first place what this "routine", "day-to-day" work precisely involves.

113. According to the Secretary-General's Work Programme Performance Report for 1971 (E/AC.51/62, and annex and addenda), in ESA 56.1 per cent of "performed man-months" were devoted to "Substantive research and studies", 33.9 per cent to the "Back-stopping of technical co-operation programmes", 7.7 per cent to "Programme formulation and direction", and 2.3 per cent to "Participation and servicing of meetings". But these averages for the Department as a whole do not give the true picture. For depending on the office concerned, the ratio for "Substantive research and studies" ranged from 88.1 per cent (OST) to 32.7 per cent (PD), that for the

"Back-stopping of technical co-operation programmes" from 10.3 per cent (SO) to 55.2 per cent (RTD), that for "Programme formulation and direction" from 2.7 per cent (RTD) to 16.6 per cent (PD) and that for "Participation and servicing of meetings" from zero per cent (PAD, RTD, OST and SDD) to 8.7 per cent (PD). The bulk of consultants man-months in 1971, as in other years (93.7 per cent for ESA as a whole) was devoted to "Substantive research and studies" (see Table 6).

114. The Secretariat insists that any cut in consultant funds would adversely affect United Nations activities in the field of development. The Inspectors assumed therefore that in analyzing the performance pattern for the various components of the Department's work programme, they would find a close relationship between the amount of time spent by individual offices on "Substantive research and studies" (and, consequently, the extent of their recourse to consultants) and that devoted to the "Back-stopping of technical co-operation activities". They found, to their surprise, that there was none.

115. As can be seen from Table 7, with the two exceptions of OST (which is not operational) and of PD (which does not think much of consultants and uses them as little as possible), those offices that use consultants most are among those which do the least research. Conversely, those that do the most research use consultants least.

116. In 1971 RTD and SO used for their total programme, respectively, 879 and 818 man-months (of all types). The latter devoted almost twice as much time to research than the former, roughly 80 per cent as compared to 42 per cent; yet it used over four times less consultants' time - 26 man-months versus 118. SDD and CDPD used, respectively, 668 and 617 man-months; again, the latter devoted almost one-third more time to research - 77.4 per cent versus 55.9 per cent; yet it used over five times fewer consultant man-months - 10 versus 53.

117. Thus any relationship that there may be between the recourse to consultants on the one hand, and the type of activity on which an office concentrates most, appears to be strictly fortuitous. On the other hand, the concentration of certain offices on the back-stopping of technical co-operation work seems to go apace with a reduced emphasis on research and studies (with or without the help of consultants). Indeed, the Inspectors were told in one division of UNIDO that this was so much the case that if at present already only some 6 per cent of its resources could be devoted to so-called "programme support" (i.e. planning and research), by 1974 this share would drop further - to 4 or so per cent.

Table 6^{a/}

United Nations/ESA - Professional Manpower Utilization (by Programme Component) 1971
(in performed man-months)

Office	Total man-months performed for whole programme	Programme formulation and direction					Participation and servicing of meetings					Backstopping of technical co-operation activities					Substantive research and studies				
		Component sub-total	P	IRA	XB	C	Component sub-total	P	IRA	XB	C	Component sub-total	P	IRA	XB	c ^{e/}	Component sub-total	P	IRA	XB	c ^{e/}
Centre for Development Planning, Projections and Policies	617	19 (3.1%)	12	-	7	-	- -	-	-	-	-	120 (19.4%)	85	19	16	-	478 (77.5%)	324	25	119	10 (2.1%)
Center for Housing, Building and Planning	517	42 (8.1%)	42	-	-	-	40 ^{d/} (7.7%)	40	-	-	-	247 (47.8%)	149	62	36	-	188 (36.4%)	132	-	-	56 (29.8%)
Public Finance and Financial Institutions	192	15 (7.8%)	15 ^{b/}	-	-	-	[15] [7.8%]	[15] ^{c/}	-	-	-	57 (29.7%)	24	33	-	-	120 (62.5%)	92	-	-	28 (23.3%)
Population	495	82 (16.6%)	68	4	10	-	43 (8.7%)	41	-	2	-	208 (42%)	47	8	153	-	162 (32.7%)	150	-	8	4 (2.5%)
Public Administration	295	21 (7.1%)	21	-	-	-	- -	-	-	-	-	143 (48.5%)	57	12	50	24 (17%)	131 (44.4%)	96	-	-	35 (26.7%)
Resources and Transport	879	24 (2.7%)	24	-	-	-	- -	-	-	-	-	485 (55.2%)	180	21	284	-	370 (42.1%)	252	-	-	118 (31.9%)
Science and Technology	126	15 (11.9%)	15	-	-	-	- -	-	-	-	-	-	-	-	-	-	111 (88.1%)	81	-	-	30 (27%)
Social Development	668	75 (11.2%)	75	-	-	-	- -	-	-	-	-	219 (32.8%)	189	30	-	-	374 (56%)	266	-	55	53 (14.2%)
Statistics	818	60 (7.3%)	36	-	24	-	24 (2.9%)	24	-	-	-	84 (10.3%)	48	24	12	-	650 (79.5%)	554	-	60	26 (4%)
	4,607	353 (7.7%)	308	4	41	-	107 (2.3%)	105	-	2	-	1,563 (33.9%)	779	209	551	24 (17%)	2,584 (56.1%)	1,957	25	242	360 (13.9%)

a/ Source: E/AC.51/62, Annex and Addenda.

b/ Includes "Participation and servicing of meetings".

c/ Includes "Programme formulation and direction".

d/ Includes "Dissemination and exchange of information".

e/ Percentage of component sub-total.

Table 7

United Nations/ESA Relationship Between Substantive Research and Studies,
Back-stopping of Technical Co-operation Activities and
Consultants (by Office), 1971

(in % of performed man-months) (position)

Office	Substantive research and studies	Back-stopping of technical co-operation activities	Consultants
CDPP	77.4 (No.3)	19.4 (No.7)	2.0 (No.9)
CHBP	36.3 (No.8)	47.7 (No.3)	29.7 (No.2)
DPFFI	62.5 (No.4)	29.6 (No.6)	23.3 (No.5)
PD	32.7 (No.9)	42.0 (No.4)	2.4 (No.8)
PAD	44.4 (No.6)	48.4 (No.2)	26.7 (No.4) ^{1/}
RTD	42.0 (No.7)	55.1 (No.1)	31.8 (No.1)
OST	88.0 (No.1)	-	27.0 (No.3)
SDD	55.9 (No.5)	32.7 (No.5)	14.1 (No.6)
SO	79.4 (No.2)	10.2 (No.8)	4.0 (No.7)

^{1/} The Public Administration Division was the only office in 1971 to use consultants also for the back-stopping of technical co-operation activities - 24 man-months (or 16.7 per cent).

(e) Are consultants "better value for money"?

118. The Inspectors cannot accept without serious qualifications the contention that the contracting of outside expertise is, among other things, more economical than the creation of additional posts.

119. In certain specific cases the recourse to such services may indeed be a more effective, more speedy and less costly way to handle an Ad hoc and action-oriented project than would be the creation of an established or even temporary post. But the argument holds true only if: (i) the activity in question is truly Ad hoc and action-oriented; (ii) the job cannot possibly be done by the regular staff; (iii) the consultant is really competent; and (iv) his fee is reasonable.

120. Elsewhere in this report the Inspectors show that some of the work now farmed out to consultants may not be as "action-oriented" as is claimed, that it is sometimes in the nature of a continuing activity, could probably have been handled by the regular staff and was, in a number of cases, being so handled, i.e. by former staff members. They also show that owing to inadequate controls, the quality of the

consultants hired is uneven and their fees sometimes far from reasonable. Under these circumstances, they view the argument "better value for money" with considerable reservations. Particularly they question the practice of hiring a former staff member to continue, as a consultant, the activity he used to perform prior to his retirement, instead of the timely training of a replacement. The problem of in-job training has confronted the United Nations virtually since its inception. Plain common sense requires that officials doing a specialized job that will need to be continued once they have retired, should train their successors to carry on, preferably in the last two years before retirement. Several of the cases cited by the Inspectors in this report point clearly to the fact that the continuing lack of systematic training programmes contributes to the recourse to outside expertise.

* * * * *

121. The Inspectors are aware of the cogent considerations advanced over the years in favour of various possible alternative solutions to the whole problem of the Secretariat's staffing structure. So far the view that the ACABQ put forward in 1952 has prevailed, namely that "all normal functions of the Secretariat should, with few exceptions, be performed by full-time staff members" (A/2157). The Inspectors also note, however, that in his revised 1972 estimates for Section 16 (UNIDO) of the Budget, the Secretary-General explained that he was requesting these additional resources in the form of short-term staff rather than established posts "because this approach is more suitable to UNIDO's need for special skills for relatively brief periods of time" (A/8408/Add.24).

122. A discussion of the Secretariat's staffing structure is, strictly speaking, outside the scope of the present report. Moreover, the Inspectors realize the danger of over-simplification of the issues involved. Nevertheless, since one of the main reasons invoked for the growing recourse to outside expertise is precisely the increasing need, in line with the changing role of the Secretariat, for "special skills for relatively brief periods of time", they are of the view that in any future consideration of the Secretariat's staffing structure the present de facto situation, namely the increasing reliance being placed on outside experts, is a relevant factor which should be taken into account and that the staffing structure of the Secretariat should perhaps provide for a relatively larger proportion of short- or fixed-term staff and a smaller proportion of permanent posts than is the case at present.

Additional factors that appear to contribute to increased recourse to outside expertise

123. Besides the various arguments invoked to explain the increased recourse to outside expertise, with which the Inspectors have dealt above, they came, in the course of their investigations, across several additional factors that seem, likewise, to contribute to such recourse.

(a) The availability and use of travel funds

124. The twin issues of travel and staff travel funds come up time and again when discussing the growing recourse to outside expertise in the United Nations. They are invoked both by those who favour such recourse (who maintain that the shortage of staff travel funds renders the hiring of consultants all the more imperative, inasmuch as the latter's travel, within a given allocation, is unlimited), and by those who deplore the extent of it (who believe that if the Professional staff travelled less, it would have more time to do what consultants are now hired to do).

125. The Joint Inspection Unit's report on "The use of travel funds in the United Nations" (A/9000) showed that many senior staff members, i.e. those whose *raison d'être*, among other things, is to provide continuing guidance to their respective offices and whose presence, therefore, should not be easily dispensable, are less "desk-bound" than is sometimes claimed. Taking just one year, 1970, the report noted that one Director was absent 162 days, another 123 days, a third 105 days, while one section head was gone 136 days. Within a period of twenty-two months one high official was absent almost seven months. One senior Professional staff member was gone 120 days, another 69 days, etc. The report also noted what appeared to be unjustifiably large staff attendance at meetings.

126. The Inspectors' present investigations have shown that the absence of a staff member does, indeed, lead to the contracting of outside expertise. Thus, one consultant was hired, at a cost of some \$12,000 in 1969-1971, because inter alia the deputy head of the substantive office concerned was on mission in Geneva three months of a given year, while several other staff members were busy working on a seminar.

127. The absence of a key staff member may have also other implications. Thus the Inspectors came across cases where the delayed submission of an office's work programme and the delayed certification of the work of consultants (and, hence, the payment of their fees) was likewise due to the fact that the responsible officials concerned were travelling.

128. In order to conserve staff travel funds for other travel assignments, one of the devices often resorted to at present consists in assigning work that could and should normally be carried out by the staff, to consultants.

A consultant was recruited to undertake in Mexico field studies on the "Socio-economic aspects of rural industrialization". Apart from the fact that the project seems to have been undertaken without proper co-ordination with UNIDO, it turned out to be a \$5,250 failure. The substantive office contends that had more staff travel funds been available, the job could have been done by a staff member (as a similar project had been handled earlier in another country) possibly with better results. Another consultant was paid \$6,000 in fees and over \$2,000 in travel expenses for an "on-site" inspection of statistical institutes in a number of developing countries. The assignment required no expertise that was not available inside the Secretariat, but the office concerned lacked sufficient staff travel funds.

129. A number of consultants' assignments seem to consist essentially of representing the Organization at some meeting or other, in lieu of a travelling staff member.

130. Some officials devote quite a lot of time attending or contributing to non-United Nations intergovernmental scientific meetings. This, the Inspectors were told, procures additional knowledge and spreads the United Nations' own experience in a given field.

131. The Inspectors know from their own experience that information gleaned from publications and/or replies to questionnaires is often not enough and that it may be necessary to pursue a line of inquiry in person. They also appreciate that substantive attendance at technical meetings (within or outside the United Nations) represents often a valuable input to the work of an office - by infusing new ideas or possibly helping revise old ones. On the other hand, from the evidence available to them as well as from their talks with various members of the Secretariat, they fear that some staff travel, especially in the case of officials in the higher brackets, is far more representational than substantive. As a result, there are fewer staff travel funds left for more legitimate purposes and this, in turn, may make necessary the hiring of consultants.

(b) "Project selling"

132. Another factor is the amount of what the administrative services describe as "project selling". Some of the officials concerned explain no less candidly that this is often the only way to "outmatch the Office of the Controller" which they claim, is apt to under-rate the significance of a project - for considerations of

economy. Elsewhere in this report the Inspectors have commented on the impact such "project selling" may have on the choice of topics and the programming of activities generally. Suffice it to say here that as far as the use of outside expertise goes, this cannot but have a multiplier effect.

VI. THE USEFULNESS OF OUTSIDE EXPERTISE - AN ASSESSMENT

133. The Inspectors have no reason to doubt official assurances that many consultants perform their tasks satisfactorily. In the course of their own investigations, they have come across many examples of useful and occasionally outstanding contributions by consultants to the work of the United Nations. But although documentary evidence is understandably scarce, stories of unsatisfactory work, of failure to "deliver the goods", are too often heard to be ignored and are confirmed by many senior officials. They admit that work involving the services of consultants can be grouped into three categories: (i) a small number of outstanding successes; (ii) an equally small number of outright failures; and (iii) "by and large satisfactory" work, these being the greatest number. The Inspectors themselves came across cases in which contracts with consultants had been cancelled or fees reduced owing to unsatisfactory performance; they have reason to suspect that many more cases have occurred in which the consultant was paid off and his unsatisfactory report either rewritten by the office concerned or by another consultant, or quietly forgotten - a procedure made easier by the fact that such reports often become, after a greater or lesser amount of editing, an anonymous and unidentified part of a more comprehensive Secretariat document.

134. Since one of the reasons often given - though never formally - by responsible officials for using outside expertise is the reportedly uneven quality of the regular establishment, the question arises: is not the Secretariat, in many cases, multiplying its difficulties instead of solving them?

135. The Inspectors realize that no administration can be perfect, and that it is necessary to make allowance for an inevitable percentage of failure and wastage owing to accident or human error or misjudgement. To expect the United Nations Secretariat, of all institutions, to be immune to such "inbuilt constraints" would certainly be unreasonable. The question is, therefore, not so much whether the Inspectors were able to identify failures or wastage, but rather how many or how much they identified and especially what their nature was, i.e. whether they fell within the category of the above-mentioned "inbuilt constraints" or were due to other, less justifiable, factors.

136. A consultant's credentials are not necessarily a guarantee of the usefulness of his work. Thus the Inspectors came across several cases of consultants with high qualifications, at least on paper, who had produced disappointing results. Conversely, a consultant's work may be excellent in itself and yet be wasted because the project or programme for which it was commissioned was ill-conceived or of questionable utility. Indeed, only exceptionally can a study by a consultant be assessed in isolation from the project or programme for which it was commissioned and to which it may be only one contribution among many. In other words, the usefulness of consultants can, in many cases, only be measured in terms of the usefulness of the projects or programmes to which they contribute.

137. Though, as the Inspectors have shown, a number of projects involving recourse to outside expertise are specifically called for by legislative or programming bodies, which sometimes even indicate the need for such expertise, the bulk of the work done by outside experts falls within the framework of the various regular work programmes, authority for which may date back ten years or more. For example, until the creation of the Committee on Natural Resources in 1971, most United Nations activities in this field were undertaken under the authority of ECOSOC resolution 345 (XII) of 9 March 1951. The official justification of many of these projects is the need to keep abreast of or to anticipate developments in a given field of knowledge.

138. The right and indeed the duty of a substantive office to engage in what is commonly known as "action-oriented research", i.e. research that has not been specifically called for, but which fits logically into the office's broad terms of reference and may be expected to result in follow-up action, has never been questioned. What is increasingly questioned, however, is whether all these projects are as "action-oriented" as the Secretariat claims and whether the United Nations is the only or even the best place to carry them out.

139. The Inspectors have hesitated to go into the issue of the choice of topics for which outside expertise is sought, since in many cases this involves problems of evaluation that could be regarded as being beyond their own competence. The official who commissions the studies in question can usually produce good or at least plausible reasons for his (or her) decision, and since it is usually the same official who chooses the consultant and who then evaluates his work, it would be unreasonable to always expect a spontaneous admission of misjudgement on his part.

140. The Inspectors note, however, that an increasingly critical look is being taken at what can be best described as a "Jack-of-all-trades" concept of the role of the Secretariat, e.g. its inclination to tackle unquestioningly virtually any project that may have been recommended by a parent body or may have caught the fancy of some senior official and that, whether it is equipped to do so or not, and whether it could be, and in fact is being better done elsewhere, within the United Nations system or outside it. Since many of these projects can be carried out only through recourse to outside expertise, the issue seems relevant to this report.

141. Thus the Capacity Study found little relation between many projects and the priority needs of development (DP/5, pages 73-76). At the ninth session of the TDB the view was likewise expressed that some of the background studies in UNCTAD "had little relevance to policy decisions" and that priority should be given to projects "on which the Board and the committees could be expected to take early action" (A/8015/Rev.1). At the CNR's first session in 1971 the view was expressed that the work programme of the RTD contained proposals for action in many sectors that are of "doubtful practical benefit" and which "would not meet the immediate needs of the developing countries", and general agreement was reached on the need to focus on "the formulation of action-oriented approach" and "the desirability of concentrating efforts on a number of specific activities instead of spreading them thinly over a large number of subject areas" (E/4969).

142. The Inspectors have heard almost as many complaints from the Secretariat which, partly for the various reasons mentioned above, finds it increasingly difficult to carry out some of the projects which clog up its various work programmes, and the success of which is apparently often questionable at the start. The Secretary-General himself in his comments on the recent AMS survey of ESA suggests "greater selectivity by ESA in the work it performs, thus concentrating its efforts on activities considered to be of primary importance" (A/C.5/1380). The Inspectors feel, therefore, that they are responding to a general concern in going into the subject matter of some of the activities involving outside expertise.

143. In theory, the topics for research and study are selected in the light of certain criteria, the most important of which in recent years seems to be their relevance to technical co-operation programmes and the major problems encountered in developing countries, in the light of requests for such co-operation from the

countries themselves and the deliberations of bodies concerned with them, whereby the expense involved is often justified by reference to the financial benefits which, it is claimed, could result from this or that activity. Nevertheless, the usefulness of some of these projects, all involving outside expertise, gives rise to doubts.

In 1971 UNIDO hired a consultant at a cost of \$3,000 to prepare an article on "The interrelationships between industry and agriculture". To the knowledge of the Inspectors, this topic has been studied in one form or another by other bodies, including the regional economic commissions and by many of the developing countries themselves. Was another study needed? Much the same could be said about a study commissioned, likewise by UNIDO, at a cost of \$10,500 on "The impact of petroleum on the economics of the developing countries". A \$10,000 UNIDO study on "Future trends in the fertilizer industry" is in two parts: (i) past history, and (ii) future projections. The first part is no doubt an excellent historical background paper on the fertilizer industry. But the question comes to mind: of what practical use can this first part be to developing countries, whose essential concern is with present and future technology in this field? In a 1971 Joint Inspection Unit study on ESA (A/8446) reference is made to a 1969 United Nations study on "Natural gas transportation techniques" and the question was asked: "Who was this written for? Surely not the oil companies, from whom most of the material for the study was probably obtained? Government officials of oil-producing countries? Is it reasonable to expect them to accept such a study for guidance when they have such ready access to oil experts and their technical publications?" And it was suggested that it might have been better to give wider distribution to studies in depth of ECE on this subject. Elsewhere the Inspectors have mentioned a \$12,000 (or more) project involving twelve case studies which seem unlikely to have any practical effects.

The project of a World Geothermal Atlas is part of RTD's medium- and short-term work programme as laid down in document E/C.7/20, which assigns to this office, inter alia, the task of "Increasing the exploration of all possible new sources of energy and improving their exploitation methods" and of "Making available to developing countries methods of energy production that can be easily maintained, that are further not costly in terms of capital equipment and that do not pose serious problems of pollution". The Inspectors wonder whether, bearing in mind the experience of those few countries where geothermal energy has been intensively studied for many years, this type of power answers the criteria, specifically, of "easy maintenance" and "not costly in terms of capital equipment" and whether the prominence given to it by the office concerned, at the expense of other possibly more realistic activities, will ever be vindicated by results proportionate to the hopes now being raised.

The protein problem has been and is being studied, often with the help of consultants and Ad hoc expert groups, at various levels and by various bodies of the United Nations and the specialized agencies, some of them highly technical. The United Nations Secretariat has, admittedly, no expertise of its own in this field and must, therefore, resort extensively to outside expertise. Is its contribution, under these circumstances, commensurate with the money being spent by the OST on various protein studies?

In 1967-68 a consultant (who was by background a chemical engineer) produced for \$2,000 a report on "The use of unconventional transport in the developing countries", for which justification was seen in ECOSOC resolutions 1082A (XXXIX), 1202 (XLVII) and 1490 (XLVIII), and which appeared on the publications programmes of ESA for 1969, 1970 and 1971. Extensively edited, it was eventually returned to the author-division for further reworking and has never been resubmitted, apparently because of the difficulty of obtaining the required data. It was judged useful, however, because it highlighted the need for a cautious, practical approach. Nevertheless, in 1971 another consultant was contracted for \$4,800 to prepare a study on the specific topic of "Hovercraft", which is planned for publication as a United Nations sales document. In addition, a junior staff member was sent on a \$12,000 trip to Africa to witness experimental trips by such craft across parts of that continent.

According to the information available to the Inspectors, ESA was not expected, originally, to make a significant contribution to the United Nations Conference on the Human Environment since only one or two of its substantive offices had any previous experience in this field. Nevertheless, at the last minute virtually all offices of the Department, whether they were equipped or not to do so, were "ordered into action". Needless to say, this required the contracting of consultants and since only a few months remained until the deadline for the submission of the reports and often the best people in a given field were not available, the quality of many of these contributions - on which a total of well over \$100,000 was spent - was, the Inspectors were told by authoritative quarters, "disappointing", representing as they often did a mere compendium of knowledge already available.

144. As the Secretary-General of UNCTAD pointed out to the TDB at its tenth session, though such ventures as the United Nations Conference on the Human Environment "were of great importance to the United Nations as a whole, UNCTAD had to guard against distraction from its main activities and always to plan carefully its involvements so as to ensure that specific UNCTAD activities would benefit by taking this broader view" (A/8415/Rev.1).

145. The Inspectors have also some doubts about the propriety of United Nations financing of some consultants' studies, and that, irrespective of their substantive merits. One voluminous report by a consultant cost UNCTAD in 1967 at least \$42,000. It was put out with the footnote: "The views expressed by the author do not necessarily reflect those of the United Nations Secretariat". Is it sound economics to spend scarce United Nations funds on what could be viewed, perhaps not unjustly, as the publicizing of the personal views of a private individual?

146. A perusal of some of these reports shows that a proportion are essentially of an academic nature, consisting largely of résumés of information already available from other sources. An important element in this connexion is the level at which a study is aimed. In a number of cases the product appears to be too

complex for the layman and too elementary for the expert. In this connexion, the Inspectors gathered from several senior officials that what was needed nowadays was not broad catch-all compendia of available information, but strictly to-the-point, clearly formulated, technical action-oriented studies or guidelines not available from other sources. It was also suggested to the Inspectors that in a number of cases an annotated bibliography would suffice.

147. Experience seems to indicate that it is virtually impossible to find a consultant who combines exceptional theoretical competence with a knowledge of United Nations practice and administration. Moreover, however good a report or study prepared by an outside expert may be, it often does not provide practical solutions to day-to-day difficulties. Finally, in most cases the authors are not present to help in the elaboration and application of the new methods they may have advocated and which may require adjustment or revision in practice.

148. As already indicated, irrespective of the origin of a project, i.e. whether it is part of an earlier approved work programme or a new request, it is in most cases the substantive office concerned that decides how to carry it out - by means of the regular staff, with the help of an individual consultant or an expert group, or through a combination of the three. These decisions are - or at least should be - matters of professional judgement. The Inspectors have come across only a few instances where the judgement of the substantive offices was challenged by the administrative services and even fewer where the challenge was successful.

149. The Inspectors are of course themselves in no position to do so either. However, in view of the fairly large number of projects of no obvious utility, or the cost of which seems out of proportion to their relevance or usefulness, or of outright failures identified by them in the course of this study, they feel that the sole judgement of an office head may be too fragile a foundation upon which to rest a sometimes costly project and that therefore more effective controls at both the executive and administrative levels of the Secretariat should be worked out to reduce the risks of wastage to a minimum.

150. The usefulness of Ad hoc expert group meetings is not easy to assess either. Those that deal essentially with an office's work programme are no doubt useful so long as their membership is decided by the competent parent body and they are accountable to the latter. Those that in principle advise on specific issues, may nevertheless make recommendations requiring action at the national level. Since these recommendations may pose controversial problems, the parent body may confine its action to endorsing the work done and requesting that it be continued or that

studies in an adjacent field be undertaken. Even when such difficulties do not arise, the parent body may have such a heavy agenda that it has no time to give more than cursory attention to the project in question. As a result, additional expenditure in some form or another may follow, which could perhaps have been avoided were proper guidance exercised by those in a position to do so. But then many costly reports, though admittedly controversial, are never even seen by a parent body.

An Ad hoc panel on "Projections of demand and supply of crude petroleum and products" met in March 1971 and produced a report in two parts: the report proper and twelve consultants' contributions that appear as annexes "for which the United Nations bears no responsibility". Since the CNR (the parent body of the office concerned) has so far dealt with projections only in a tentative way and since the specific topic of oil has not yet figured on the agenda of its various sessions, the report has not been and apparently will not be formally submitted to it for examination. Neither will a five-page summary containing the panel's conclusions and recommendations. Indeed the only reference to the work of the panel made available to the Committee was a four-line footnote to a thirty-two page note by the Secretary-General for its 1973 New Delhi session (E/C.7/40/Add.1), in which less than one page was devoted specifically to petroleum. Nevertheless, the panel's report is scheduled to be issued as a United Nations sales publication in 1973. According to official estimates, this study cost at least \$17,679; according to the Inspectors' calculations, it cost at least \$43,000, i.e. almost three times as much (to which should be added, needless to say, the cost of publication).

A study on "Water resources development policies" has been under way at least since 1970, has required two panel sessions, several consultants and a "special rapporteur" at a total cost, to date, to the host countries and the United Nations of at least \$34,000, including at least \$8,000 in consultants' fees. From the outset, the project has been beset by problems: first one rapporteur was appointed, then another; then Member States delayed replying to questionnaires; lastly, substantive difficulties came up, owing to which the panel was unable to agree to a unanimous report. The latter will now be issued as a United Nations sales publication on the Secretariat's own responsibility.

151. The Inspectors wonder whether such expensive projects should be pursued, at further cost to the Organization and sometimes with the warning that the Secretariat "bears no responsibility" for the findings or conclusions arrived at without their being "vetted" by a somewhat more representative and authoritative body than a few hand-picked experts, all of them acting "in their personal capacity".

152. In the case of groups called at the initiative of the Secretariat, there is little assurance that their findings will ever be concretized in the form of a report or that the latter, if it exists, will be made public. As already pointed

out, this could happen if the report, after further processing by the Secretariat, comes before a seminar, the proceedings of which may then be published, if funds permit it. But in most cases such groups seem to serve essentially for what amounts to the "advanced education" of the Secretariat.

153. Apart from the fact that it appears to be a somewhat expensive way of educating the regular staff, this raises the basic issue of the status of these meetings. Since their essential purpose is supposedly to "vet" the conclusions of the Secretariat or of a consultant on a given issue from a wider viewpoint, it is surely essential that the range of this expertise be as representative as possible of existing knowledge and experience.

154. The value of meetings which receive their documentation too late to adequately deal with it is likewise open to question.

155. Assuming that a project involving outside expertise is valid and successful (as many of them are), yet another question arises: is the knowledge and experience thus acquired put to as full a use as would be desirable? Many responsible officials with whom the Inspectors talked doubt it, admitting that their concern is focused on the "primary users" of this information, i.e. the responsible office and the parent legislative or programming body (if any). Any other "fall-out" is usually incidental.

156. This raises the whole issue of "information storage and retrieval" in the United Nations, a problem that has been and continues to be an object of concern and a topic of study at various levels of the system. Here, the Inspectors will merely say that there is a pressing need to spread to a much greater extent than is being done at present both within and outside the Organization the fund of knowledge which already exists and is being accumulated in the United Nations - to a significant extent thanks to the contributions of outside experts, and which is often only very inadequately tapped - by Member States, by scientific institutions, by individual experts and by the public at large.

157. One of UNIDO's most interesting programmes in this connexion is its "Industrial inquiry service" - a sort of clearing-house for technical information, much of it the product of outside expertise, by means of which the organization, for a modest fee, answers the inquirer himself or puts him in touch with competent institutions or individuals in another country.

158. The Inspectors were also impressed by UNIDO's "Industrial development abstracts" - a computerized guide to technical documentation, much of it, again, the product of outside expertise and much of it unpublished, which follows a

system compatible with many indexing systems within and outside the United Nations family. They were told that nothing like it existed elsewhere in the Organization. They wonder whether this type of service might not be more "action-oriented" than many far more costly initiatives and whether UNIDO's experience in this regard should not be carefully studied.

159. In order to narrow down the range of activities for which outside expertise could be legitimately requested and also in order to help ensure that these activities are more "action-oriented", the Inspectors have set down in the next section of this report a number of basic criteria which, in their view, such activities should answer before funds for "Outside expertise" can be made available for them.

VII. CONTROLS OVER THE USE OF OUTSIDE EXPERTISE

160. When questioned in the Fifth Committee at the twenty-sixth session of the General Assembly as to "what measures have the Secretariat taken or intend to take to limit the use of consultants and experts to the minimum and thus avoid the waste of resources", the Controller replied that "controls exercised by the Budget Division ensure that in no case are credits approved by the General Assembly exceeded" By and large this is indeed the case: as seen in Table 4, only on three occasions since 1963 have funds appropriated for outside expertise for the Organization as a whole been exceeded.

161. But control over the expenditure of funds is only one aspect of control. Equally important is control over (i) requests for funds, i.e. programming, and (ii) over the quality of the services performed, i.e. performance. The Controller did not deal with these two other aspects.

162. Until 1954 each office of the Secretariat presented its own programme and estimates for outside expertise. This made for a clearer visual presentation, but since each programme was elaborated without reference to the needs and possibilities of other services, it was judged at the time to be a major cause of the increased expenditure under this count in the early 1950's. Conversely, the centralized administration of funds for outside expertise starting in 1954 with the Office of the Controller was expected to result in a tighter control over, and consequent reduction in, expenditure. And at first this is indeed what happened. Soon, however, expenditure on outside expertise started again to climb and this trend has, as we have shown, by and large continued. At the same time, because of the various changes in the presentation of the Budget Estimates and even though

after 1962 the latter included separate items of expenditure headed "Individual experts and consultants" and "Ad hoc expert groups", it has become increasingly difficult to gauge accurately requests for, and expenditure on, outside expertise as distinguished from other types of temporary assistance.

163. The ACABQ, which from the beginning had sounded a warning regarding the increasing recourse to outside expertise, has periodically urged tighter controls.

164. Personnel Directive No. 4/63 and Amend.1, dated respectively, 15 July 1963 and 27 June 1968, were designed to correct existing shortcomings. In fact, even the new procedures laid down in this directive leave many loopholes, as is evident from the fact that in 1972 the Internal Auditors came across one case involving a former senior official recruited as a consultant, where five unlogged irregularities, including an excessive fee and the absence of an attendance report, were identified.

165. The Inspectors would wish to preface their remarks by saying that they do not favour controls for control's sake. Indeed, a well-managed administration can often be gauged by the degree of initiative that is allowed and exercised by officials at the various levels of responsibility. On the other hand, in the course of their present investigations they were able to identify a number of costly projects involving outside expertise which were either less successful than they should have been or which failed owing to slack controls or to their absence altogether at one or several of the following stages: (i) substantive programming; (ii) the selection of consultants; (iii) administrative and financial procedures (i.e. the contracting of consultants and their fees); and (iv) substantive control during the project's implementation.

166. Specifically, the Inspectors noted (and several examples have been described in earlier paragraphs of this report):

- some projects, though attributed to a legislative or programming decision, were undertaken in fact without the specific authorization of the competent body, or without the latter being informed about its exact implications;
- some projects, though valid per se, either duplicated work done elsewhere or could have been done better elsewhere;
- others were unnecessarily delayed, partly on account of time-consuming procedures;

- a number of projects had to be rewritten or cancelled altogether because of their poor quality, the reasons being either: (i) that they were poorly conceived or formulated; (ii) that the choice of consultant was bad, sometimes because he was selected for reasons other than his expertise; (iii) that they were inadequately controlled during their execution by the substantive office concerned;
- others, though of good substantive quality, were of little or no practical usefulness because they were not sufficiently "thought through" or because of the general inadequacy of the whole United Nations "information, storage and retrieval" system;
- a number of projects, planned for submission to technical meetings, had to be placed in "cold storage" or scrapped altogether, because the meeting did not take place, in some cases for lack of financing;
- the usefulness of some Ad hoc expert meetings was questionable because they received the relevant documentation too late to give it serious consideration;
- the choice of consultants and experts did not always give the United Nations the range of knowledge and experience that is one of the main raisons d'être of outside expertise;
- a number of projects for which consultants were hired and which were paid for out of consultants' funds could and should have been carried out by the regular staff, and some of them were indeed being so carried out - by former staff members; whilst others clearly belonged in the category of temporary assistance projects, and should have been funded accordingly;
- in some cases the fees paid to the consultants exceeded by far those prescribed or warranted under the circumstances;
- some of these projects, whilst admittedly unsuccessful, were paid for nevertheless as the responsible substantive office certified them to be "satisfactory" and the administrative services were in no position to prove the opposite;
- the whole system of record-keeping regarding outside expertise in the United Nations made it difficult, if not impossible, to ascertain the exact extent, range and effectiveness of recourse to such expertise.

167. The above shortcomings had one or several of the following effects: (a) the failure of projects; (b) wastage of money; and (c) a wasteful utilization of regular staff resources.

Administrative controls - existing procedures and their shortcomings

168. The Inspectors have dealt with the substantive control of projects in paragraphs 35-53. Here they will address themselves essentially to administrative controls, i.e.: (i) budgeting; (ii) the selection of consultants and experts; (iii) contractual procedures; (iv) project back-stopping; (v) evaluation; and (vi) records.

(a) Budgetary control

169. The essential weakness of present procedures for the budgetary control of programmes and projects involving recourse to outside expertise is that the administrative and financial services of the Secretariat (hereinafter referred to, often, as the Administration) are in no position to question the substantive merits of these and whether they could, or could not, be carried out by the regular staff. The appropriateness of the United Nations funding of certain projects is also questionable.

170. Programming and budgetary procedures are not uniform throughout the Organization. For instance, in UNCTAD and UNIDO they differ somewhat from those at Headquarters and Geneva. But since ESA is the largest user of consultants in the United Nations, the Inspectors will base their remarks on the experience to date of that Department, mentioning other offices only inasmuch as their practices may be worthy of emulation.

171. Once the various office programmes have been cleared within the Department, they are reviewed, during the first part of January of any given year, by so-called Budget Review Groups, which analyze the various requests and their recommendations thereon.^{13/} These have been made up, so far, of the Executive Officer of the Department, the Special Adviser for Programming, the head (or a senior representative) of the division or office concerned and a representative of the Controller.

172. The Inspectors have studied the proceedings and reports of the Budget Review Groups for the years 1969-1971 and were impressed by the thoroughness with which the programmes were gone into, especially considering the handicaps under which the Groups sometimes operated.

173. Once the Budget Division has communicated the total allotment allowed to the Department for outside expertise, the Executive Office decides how much of this will be allocated to the various divisions and offices, which are requested to

^{13/} These Groups did not meet in 1972 and 1973.

submit by the end of January a revised programme. Some revised programmes fall exactly within the allocated amount; others are short of it; still others exceed it.

174. Once the funds are allocated, periodic control over the status of expenditure is exercised. In principle, allotments may not be spent for purposes other than those originally endorsed without explicit approval by the financial services. As the case with ESA's contribution to the United Nations Conference on the Human Environment shows, this rule is not always observed.

175. Transfers between allotments are forbidden except on the written authorization of the Controller. Within ESA, however, funds may be freely shifted by the Executive Office during the year from one office to the other, so long as the total departmental allocation is not exceeded. Funds unobligated by the end of the year are cancelled.

176. The Inspectors heard many complaints about the programming time-table which, they were told, makes it difficult for the substantive offices to plan their use of outside expertise rationally and results too often in "rush jobs" - admittedly a major reason of unsuccessful projects. This appears to be especially true in the second half of the year.

177. The Inspectors noted some of the devices to which substantive offices may resort, no doubt partly in order to meet these difficulties. An office, for instance, may contract a consultant, sometimes for a high fee, even before its programme has been submitted and approved by the financial services and its consultant funds allocated, thus presenting a *fait accompli*. In 1971 a \$8,600 contract was issued several weeks prior to the submission of the programme to which it related. Another consultant started work four months or so before he was formally contracted.

178. At the same time the Inspectors noted the slowness with which, despite repeated reminders, some substantive offices file their consultants' programmes. Even the mandatory quarterly status of expenditure reports are often not comparable, the period covered varying from one office to the next. Some offices may be dependent for the submission of their programmes on the decisions of their respective legislative or programming bodies and the latter's meeting time-table may not dovetail with the United Nations programming time-table. One office, however, explained the delay by the fact that the official responsible for the submission of its programme was away from Headquarters. Moreover, although the Office of the Controller has always carefully explained what information was needed, the

amount and quality of the data provided by the various offices appears to be very uneven, resulting in additional time-consuming correspondence. This situation can be rectified by the enforcement of greater discipline.

179. The Inspectors believe that a clearer distinction should be drawn between the various types of Ad hoc expert groups according to their functions and that they should be constituted, should operate and be financed accordingly. The following guidelines may be suitable in this connexion:

(i) groups or panels of experts called for by a legislative or programming body should report back to that body;

(ii) groups or panels of experts, whose function it is to suggest, review and/or advise on an office's work programme should no longer be called at the sole initiative of the Secretary-General, but should be appointed by the competent legislative or programming body and, in the light of subparagraph (i) above, report back to the latter. Funds for such groups or panels should be specifically provided in the Budget;

(iii) in selecting members of expert groups or panels, efforts should be made to secure the widest possible and most representative range of knowledge and national experience in any given field. As far as possible, the membership of expert groups or panels called for by a legislative or programming body should be decided by the latter;

(iv) no report, interim or final, of an expert group or panel should become the starting-point for a chain reaction of additional activities or expenditure involving recourse to outside expertise without the specific authorization of the competent legislative or programming body;

(v) the costing of all meetings should be as realistic as possible and should include all consultants' fees and related costs, if any;

(vi) tighter accounting procedures should be introduced, the substantive offices being kept informed as a matter of course, of the actual cost of a project and keeping their own financial records of activities involving outside expertise undertaken under their responsibility.

(b) The selection of consultants and experts

180. The selection of consultants is the prerogative of the requesting substantive office, which in principle must justify its choice to the Office of Personnel. If the latter is not satisfied with the qualifications of the candidate or with the

reasons invoked to contract a consultant in one place rather than another, it may suggest that the requesting office elaborate on the reasons for its choice, or submit additional names.

181. In fact, this is no easy task, since in the absence in the United Nations of a rational records system, the Administration's main criterion in judging the candidate's potential (unless it has previous experience or knowledge of the person) is the personal history or P.11 form.

182. In principle, no contract can be issued in the absence of this P.11 form or of a brief curriculum vitae; in fact, the P.11 form is, as one administrator put it, "unpopular", and candidates may refuse to complete it, the excuse most frequently invoked being that "their reputation speaks for itself". The Inspectors noted a case where a potential consultant, having provided a poor CV, was interviewed by another consultant and then contracted on the strength of that interview.

183. The screening opportunities of the Administration are made more difficult still by the fact that rejected consultants may be employed under extra-budgetary funds.

184. The Inspectors have seen much correspondence in this connexion between the substantive offices and the Administration, and are impressed by its occasional volume, by the conscientiousness with which the latter seeks in most cases, with varying success, to exercise its responsibilities and, conversely, by the stubbornness with which some offices seek to push through the appointment of certain candidates.

185. The sources of consultants are many. Office heads may keep a file on existing specialists in their respective fields, some of whom they get to know at scientific meetings they have attended, sometimes as members of national delegations to the latter. Others are chosen from panels suggested by the national authorities, by universities, institutes, scientific organizations, political movements and non-governmental organizations, as well as by specialized agencies, United Nations information centres, and finally by other consultants. Last but not least, there are the former staff members.

186. By definition a consultant is expected to have not only expertise unavailable in the Secretariat, but he is expected to be selected for his special competence in a given field.

187. Mindful of this criterion, the Inspectors could not help wondering about the choice of certain consultants. Thus, two assignments involving the preparation of:
(i) research material for studies on the subject of the peaceful uses of outer space;

(ii) the compilation of a bibliography of available material on the subject of earth resources surveying by remote sensing, were entrusted, at a cost of \$2,000, to a research librarian, whose expertise on the two subjects appeared to be confined to an (unpublished) BA paper headed "The use of space in the developing nations".

188. Another consultant was hired for a fee of \$3,000 to revise and update a study on petroleum refining in developing countries written by another consultant. When the Office of Personnel queried his expertise, the UNDP resident representative in the country where he had been last assigned, found it "difficult to make a very enlightening evaluation" of his work there, since although admittedly a petroleum expert by background, he was apparently a generalist; moreover, on this last assignment he had spent most of his time on a fertilizer promotion programme.

189. It could be expected that an office employing a consultant for a project in a field for which another office has particular expertise would wish to consult the latter on its choice of consultant. Unfortunately this is hardly ever the case and when exceptionally such advice is given, it may not be followed. The Inspectors have knowledge of at least one consultant whose candidacy was strongly objected to by the office with particular expertise. Its objections were disregarded, the merits of the project are apparently controversial, but the consultant has been re-employed.

190. It is not always easy: (a) to find the best man for a given project, especially in a relatively unexplored field; (b) for him to be able - and willing - to undertake it at the time and within the time-limits required; and (c) for him to do so on the terms offered. In such cases, instead of cancelling or deferring the project, an office is likely to settle for the second, third or even fourth choice.

191. The Inspectors were informed in UNIDO that Personnel stays in close touch with the editors and keeps a file on the poorer consultants. Also, unless a given consultant is of what is described as "world renown", it signs no contracts in the absence of a P.11 (or adequate substitute). The Inspectors suggest that similar practices could be followed in other offices of the Secretariat.

192. A perusal of the lists of projects involving outside expertise and of consultants' personal files provided by the Secretariat revealed certain "patterns". The Inspectors note, specifically:

- the repeated and sometimes continuous hiring, sometimes at fees that exceeded prescribed rates, of former staff members, especially in the higher brackets;
- the repeated contracting of the same consultant to do work in what, at least to laymen, appear to be very different areas of expertise;
- the occasional contracting of consultants for reasons other than expertise;
- the hiring of experts, and especially of consultants, from a relatively limited number of countries.

(i) The hiring of former staff members as consultants

193. The hiring of former staff members as consultants, sometimes immediately following their retirement, for assignments that are virtually continuous and occasionally on terms and at fees that contravene United Nations rules and standards, raises questions, some practical, others involving matters of principle.

194. According to present administrative guidelines, a "Special Service Agreement" or "SSA" (which is the commonest type of consultant's contract), is issued, "where the service required cannot be obtained within the Secretariat, nor through a short-term appointment"; when the work "is performed on an intermittent or part-time basis rather than during normal working hours"; "even if of a continuous nature, it is of such short duration as not to warrant the administrative costs of placing the person on the payroll" (PD/4/63, paragraph 4). Specifically, SSA's may not be used to perform "full-time work for continuous or consecutive periods of time", such services being governed by other rules (paragraph 6). Moreover, consultants' fees should in no case exceed the equivalent of grade "D-1" (step 1).

195. The Inspectors came across cases where a staff member was contracted as a consultant virtually on the morrow of his retirement or where the work called for was so continuous that the consultant's contract was renewed, over the protests of the Administration, year after year. Moreover, far from involving expertise "that cannot be obtained within the Secretariat", the work was being done by persons who had been doing exactly the same thing before retirement. Lastly (as

will be seen in a later section of this report), some of them were given, as a result of time-consuming bargaining and in a few cases over the protests of the Administration, fees in excess of what is standard United Nations practice.

196. The rehiring of former staff members as consultants is governed by ST/AI/161 dated 11 December 1964. Admittedly the relevant paragraphs 3(a), 3(b) and 3(c) are not a model of clarity, and it appears that paragraph 5, which deals with the pension situation of the rehired staff member, has given rise to a number of difficulties. However, when, in selected cases, the Secretary-General considers that a retiring staff member should be hired as a consultant soon after retirement, the most desirable and proper course would be to give him an extension of appointment as a staff member, using the flexibility of authority which he has under the Staff Regulations.

197. The Inspectors appreciate the fact that a staff member may, for personal reasons, prefer retirement to an extension of his appointment; they also realize that compulsory retirement at the age of 60 or even, as is now normal practice, 62 may deprive the Organization of many officials who are still able to make a valuable and occasionally even invaluable contribution, because of their personal qualifications and experience in a given field of activities. In some services the shortage of expert personnel is, and is bound to remain, so acute that the hiring of pensioners as consultants is virtually unavoidable. Indeed, in certain specific cases the hiring of a former staff member with his background of experience of the problems of the United Nations may be beneficial. But the Inspectors feel that the frequency, the extent and the over-liberal terms on which pensioners are sometimes contracted as consultants opens the door to possible abuse.

198. In the first place, the Inspectors suggest that valuable as he may be, no staff member is - or should be - irreplaceable. Indeed they consider it desirable that for key posts, when continuity and previous experience of the United Nations are essential, someone should be immediately available to take over when the incumbent retires - or is incapacitated; in fact there is something very wrong about the management of an office where this is not the case.

199. Furthermore, actual retirement, especially in an organization with such a high rate of permanent appointments as is the United Nations, provides the main opportunity for the inflow of "fresh blood". Indeed, the most convincing argument invoked for the use of consultants - the diversification and growing technical sophistication of United Nations activities - presupposes that these consultants provide just that - "fresh blood".

200. The Inspectors hope, therefore, that existing rules concerning the hiring of staff members as consultants following their retirement, will be more strictly enforced. Furthermore, the Inspectors are of the opinion that the contracting of former staff members as consultants should be a "one-time" activity and for strictly proven grounds, and that where they are hired exceptionally, to work on what is expected to be a continuing activity, their responsibilities will include the training of their replacement.^{14/}

(ii) The "versatility" of some consultants

201. The Inspectors note that some consultants appear to possess somewhat astonishing versatility. For example, in 1969 one of them wrote a paper on "The resources of the biosphere"; the following year, on "Pollution caused by transport"; and in 1971, on "The human and institutional aspects of regional development". At the latest count, he figures on the roster as a senior expert in the field of environmental planning. In 1970 another consultant did a study on "Industrialization in East Africa"; the following year the same man evaluated "The operations of informal arrangements designed to stabilize the market of hard fibres". In 1969 two experts were contracted to write a case study on "The transfer of comparative technology between enterprises". Only one of them had previous experience in the field. Both, however, had collaborated earlier on a study on tourism.

202. The Inspectors appreciate that a consultant may be by background an expert in one field, but with the years acquire expertise and branch off into another. Nevertheless, they wonder whether, familiar with a candidate and hard-pressed for expertise as a substantive office may be, the Administration should not look more closely into the qualifications of the latter's more "versatile" candidates. Needless to say, to make this possible, improved consultants' records (as suggested in paragraphs 261-266) are imperative.

(iii) Consultants chosen for reasons other than expertise

203. One of the reasons invoked to employ outside experts is that they may have ideas and make recommendations such as it might not be appropriate for an international civil servant to put forward. Indeed, it would be unrealistic to deny that a number of projects involving outside expertise may have political, as well as merely technical implications.

^{14/} The Inspectors note in this connexion that in UNESCO, consultants may be hired for no longer a period than six months in any twelve.

204. However, the Inspectors have come across at least one costly project which failed and had then to be redone because the consultant was chosen not so much on account of his expertise but because of other considerations not related to the task entrusted to him.

205. The Inspectors believe that whatever other implications a project may have, the technical expertise of a consultant in a given field should be the prime consideration for his selection. Besides, they wonder whether a practically sound project does not, in the long run, fare better on its own merits, rather than on the strength of other, less tangible factors.

(iv) The sources of consultants and experts

206. Expertise is by definition "non-national". Precisely for this reason the United Nations should benefit, thanks to its recourse to outside expertise, from the vast fund of knowledge and national experience available in the world of today.

207. During the years 1969-1971 ESA, UNCTAD and UNIDO^{15/} availed themselves of the services of at least^{16/} 1,135 individual consultants and 1,100 experts working in groups. Of these, 706 consultants (i.e. 62.2 per cent) and 397 experts (i.e. 36 per cent) came from the western countries. For Asia the figures are, respectively, 145 (12.7 per cent) and 165 (15 per cent); for Africa, 72 (6.3 per cent) and 153 (13.9 per cent); for Latin America, 62 (5.4 per cent) and 136 (12.3 per cent); for the Eastern European countries, 88 (7.7 per cent) and 130 (11.8 per cent); and for the Middle Eastern countries, 30 (2.6 per cent) and 43 (3.9 per cent); 22 consultants (1.9 per cent) and 22 experts (2 per cent) came from unidentified countries.

208. Two countries - the same in both cases - provided, together, 435 consultants (or 38.3 per cent of the total) and 149 experts (or 13.5 per cent of the total). At the same time, some of the technologically most advanced countries in different parts of the world provided relatively little or no expertise at all (see annex II to this report).

209. As the figures in Tables "A" and "B" of annex II show, this concentration on a relatively small number of countries as a source of expertise is less marked in the case of Ad hoc expert groups than in that of individual consultants. This is especially true of such offices as UNCTAD and UNIDO where the Inspectors were told

^{15/} UNIDO data relates to the years 1970-1971 only.

^{16/} The lists provided by ESA for 1969-1971 are incomplete and in some cases inaccurate.

it is almost axiomatic that if so many experts are brought in from one group of countries or region, the same number should be brought in from other groups or regions. That this principle is not sacrosanct, however, can be seen from the fact that one Ad hoc expert group, for instance, which discussed "Housing policies, programming and administration", was made up of two experts from Europe, one from Asia and three from North America (all of them paid by the United Nations), plus a number of observers, technical advisers and local officials funded by the host country. The Inspectors have already referred to the "Ad hoc expert group on the World Plan of Action"; it was made up of three experts from one country in Europe and one North American. The choice of experts raises questions also bearing in mind the topic which some meetings are called upon to discuss. An UNCTAD group which met in 1969 and again in 1971 at a total cost of at least \$18,000 to discuss the problems specific to land-locked countries, consisted of nine experts; only three of them came from land-locked countries and none of these came from Latin America. Lastly, much of the background documentation and most of the reports of these groups are again, more often than not, the product of consultants (or experts) from the same small number of countries.

210. The Inspectors were given several explanations for this situation. They were told, for instance, that travel funds, even for consultants, being short, it was natural that United Nations Headquarters, for one, should recruit its consultants mostly within the North American region (including non-United States citizens resident or working there), just as offices and organizations headquartered in Europe were apt to recruit more consultants there or in adjacent regions: that, as we have seen, many consultant assignments were "rush jobs" which were, again, more easily handled within reach of the respective headquarters; that to do a good job, the consultant had to keep in close touch with the substantive office concerned; that English being willy-nilly the primus inter pares working language of most United Nations offices, this tended to favour a consultant or expert who was fluent in English; that consultancy as a full- or part-time profession exercised by independent individuals, academic bodies or private firms or institutions is a fairly recent and specialized activity, in which certain countries have taken a lead; that although there were many highly qualified experts in most branches of knowledge in other regions, the majority were likely to be too busy in their home countries to have time for outside jobs; that the formalities required to recruit a consultant in certain countries were such as to preclude rapid, personal and especially repeat hirings; that in those same countries some of the formal

requirements of the United Nations were difficult to enforce, and that even where the expertise was available and had been sought, much avant-garde knowledge was regarded as classified, etc..

211. Whatever validity some of these arguments may have, the Inspectors believe that efforts should be made to select experts and consultants from a wider and more representative number of countries than is being done at present and that these should include a larger number from the developing countries, whose knowledge of and experience in the processes of development and the practical application of modern technology to widely different local conditions is often invaluable. This is particularly true of Ad hoc expert groups, whose *raison d'être* it is to weigh the work of the Secretariat and/or of individual consultants against the "collective wisdom" of a more representative caucus.

(c) Contracting procedures

212. The administrative procedures governing at present the contracting of outside expertise in the United Nations are not geared specifically to this particular type of temporary assistance; they open the door therefore to diverse interpretations and possible abuse and are often unnecessarily time and labour consuming. Moreover, rules, regulations and standards - where they exist - are apt to be infringed.

213. Since 1954 the form of contract normally used in connexion with the hiring of consultants' services has been the Special Service Agreement (SSA). Consultants may also be hired under a short-term (ST) contract, but such cases seem relatively few.

214. The use of SSA's in the United Nations is governed at present by Personnel Directive No. 4/63, as amended by PD/4/63/Amend.1, dated, respectively, 15 July 1963 and 27 June 1968. A few Offices or Departments (ESA, the United Nations Office in Geneva, UNIDO) have their own internal regulations governing the use of consultants, which are consistent with PD/4/63 (as amended) or are improvements and/or amplifications thereof.^{17/} UNCTAD has no regulations of its own on this subject.

215. However, PD/4/63 (as amended) is not solely, or even principally, concerned with consultants; indeed the word "consultant" occurs in it only once, in a subordinate context.^{18/} The "subscriber" to an SSA need not be a consultant in

^{17/} See ESA: Inter-office memorandum, dated 15 January 1970; United Nations Office Geneva: "Administrative Procedure for Issuance of SSA's", dated November 1971; UNIDO/Adm./PS 28, dated 7 March 1972: "Policy and Procedures, governing the use of Special Service Agreements (SSA)".

^{18/} Only ESA's inter-office memorandum is concerned, specifically, with consultants.

what the Inspectors would call the dictionary sense of the word; he can equally well be a translator, an interpreter, a verbatim reporter, a medical adviser, a photographer, a tourist guide, etc.. Such expressions as "Established posts", "Temporary assistance" and "Individual experts and consultants" refer merely to the budget account to which the cost is charged.^{19/} Nor does the type of contract indicate which of these accounts is involved, since there is no bar to charging contracts to this one rather than that. Indeed the choice of the one or other type of appointment appears to be governed essentially by the availability of funds or quotas.

216. A further consideration may be the far simpler administrative procedures. Indeed, SSA's carry no overhead expenses, are very flexible instruments and require very little administrative paperwork. On the other hand, they offer no opportunity of control over the "subscriber".

217. Short-term contracts, on the other hand, temporarily but fully integrate the appointee into the staff of the Secretariat, thus providing full control and full responsibility, but also involving the full range of administrative paperwork and overhead expense.

218. The Inspectors note that unlike the United Nations itself, several organizations of the United Nations family have found it appropriate to devote a special section of their administrative rules and regulations to consultants.^{20/} Some of these criteria should, in the Inspectors' opinion, also be by and large applicable to United Nations consultants and experts in the proper meaning of this word. Their adoption and enforcement might better help ensure the proper use of consultants' funds.

^{19/} UNIDO has still another concept, that of "observers"; these are experts who cost nothing to the organization, being paid by the government or institution which sends them to a meeting.

^{20/} IAEA AM.II/II, Part II, Section 11; WHO Manual, II.12, pages 1-10; UNESCO Manual, Item 2435, Consultant Contracts and Admin. Circular No. 614 (PER); and FAO Manual, Chapter III - Personnel, Section 317 - Consultants; and "Revised Procedures for the use of consultants' funds", DG/Bulletin No. 71/14.

219. The Inspectors suggest, therefore, that in future, consultants' funds or, more appropriately, funds for "Outside expertise" should be reserved for the financing of activities by individual experts or groups of experts, which satisfy the following criteria:

- (a) they are specifically requested or accepted by governmental bodies;
- (b) they fulfil priority lines of work of the Organization, as specified in the work programmes and/or a legislative or programming decision;
- (c) they do not duplicate work or activities already done, being done or about to be done by other offices of the Secretariat, other United Nations Offices or other organizations or agencies of the United Nations system;
- (d) they are of a temporary and/or short-term nature and are capable of being performed within a specified period of time;
- (e) they cannot be carried out by the regular staff for lack of specialized knowledge and/or expertise;
- (f) they require advice or information that cannot be obtained otherwise; and
- (g) they are of a clearly-defined and specific nature, with an identifiable result, which would not implicitly commit the Organization to a large or long-range programme which had not been approved or for which funds are not yet and/or are unlikely to be available.

220. The Inspectors recognize that the strict application of these criteria may sometimes cause difficulties. There has to be a reasonable measure of flexibility requiring exceptions to be made. The Inspectors believe, however, that the application of the proposed criteria will have the effect of narrowing down the very wide range of services financed so far under the headings "Individual experts and consultants" and "Ad hoc expert groups". It will, inter alia, preclude the charging of other temporary assistance to these funds and thus generally check the inflationary tendencies discussed earlier in this report.

221. The Inspectors recommend further that special rules be drafted to govern the recruitment of consultants and the appointment of experts, rules that would be applicable to all Offices and Departments of the Secretariat and that will include

the criteria suggested above, together with the appropriate administrative instructions and if possible, indicative rates of payment. They suggest that in drawing up these rules, account be taken of the procedures and practices of other organizations of the United Nations system.

222. Apart from the inadequacy of the arrangements governing the contracting of outside expertise in the United Nations, the Inspectors noted that much time was spent by substantive offices and Administration on the preliminaries of many projects, generally, all of this entailing extensive correspondence between the services concerned.

223. Lastly, the Inspectors were struck by the large numbers of forms used by these various services in connexion with the hiring of a consultant, each of them of a different format and tailored exclusively to a given service's own needs, so that to get a comprehensive idea of a project, it is necessary to put together elements kept often in different files and different offices.

224. Apart from their impression that, as indicated earlier, the type of contract given to a consultant seems to depend, in practice, more on the availability of funds than on their source or the nature of the services to be rendered, the Inspectors were above all impressed by the fact that the contracts themselves seem to be viewed all too often by the substantive offices - and the consultants - as a mere formality.

225. In going through consultants' files for the years 1969-1971, the Inspectors noted a number of cases where consultants started work without a valid contract. On one occasion when the Administration called an office to order in this connexion, it was informed that the consultant had started work four months earlier after being informally approached by the head of that office. The most costly of such oversights involved a prospective consultant who came to New York all the way from New Zealand - and later charged travel costs to the United Nations - before his contract had even been negotiated.

226. In their "Note" to the Secretary-General the Inspectors have a number of comments and suggestions on the subject of contracting procedures (some of them based on the experience of other organizations of the United Nations system) with which they do not wish to burden the General Assembly.

227. In this connexion, however, they wish, in all fairness, to stress that they were impressed by the efforts of the former Offices of the Controller and of Personnel and of the Executive Office of ESA to enforce existing rules and to

exercise elementary management controls - sometimes against formidable odds and at the price of much time, effort and paperwork. The administrative services labour, however, under a psychological handicap since in the eyes of some substantive offices the important thing is that a job be done; how it is done, or funded, and whether rules are respected or not being a secondary consideration.

228. And then, even in the best of cases (i.e. where the information provided by the substantive office is adequate and accurate) the administrative procedures connected with the establishment of contracts take time. But all too often the recruitment of consultants is such a rush job that it is patently impossible for the Administration to undertake the various verifications it deems desirable - with some of the unsatisfactory results the Inspectors highlight in this report. They note in this connexion that IAEA, for one, insists that proposals for the engagement of consultants should reach the Division of Personnel "at least four weeks before the contract is due to begin" (AM.II/II, Part II, Section 11, paragraph 5).

229. They hope that the various tightening-up measures they recommend in the field of administrative controls will facilitate the task of both substantive and administrative services and help save time, effort and, in the final analysis, money. In this connexion, they wish to recall the existence of staff rule 112.3, which says:

"Any staff member may be required to reimburse the United Nations either partially or in full for any financial loss suffered by the United Nations as a result of his negligence or of his having violated any regulation, rule or administrative instruction."

(d) Fees of consultants and experts

230. The fees of consultants should in theory be merely suggested by the requesting substantive office and decided by the Administration, i.e. by the present Office of Personnel Services in consultation with the Office of Financial Services. The requesting office is explicitly forbidden to make any financial commitment to a potential consultant without prior clearance by the Administration. Fees in excess of \$5,000 must be cleared by the Chief, Secretariat Recruitment Services, the Chief, Staff Services, and the Chief, Technical Assistance Recruitment Service, as appropriate; and contracts above \$10,000 require clearance by the Committee on Contracts.

231. Apart from the estimated duration of the task to be performed, this fee is supposed to depend on a number of variable factors, such as the nature and difficulty of the task; the need for additional help, whether clerical or in facilities (for instance, laboratories or computers); the consultant's standing and qualifications; his age; his current level of earnings (as shown in the P.11 form), etc.. In principle it should be based on the gross salary (local or non-local as appropriate) of what is judged to be the Secretariat grade (and step) corresponding to the candidate's qualifications. On an average, it should correspond to the P-5/P-4 levels. Only in the case of short-term contracts may it, very rarely, equal the "D-1" (step 1) level.

232. Needless to say, the average monthly fee for consultants has risen in recent years - from \$1,275 in 1968 to \$1,380 in 1971 in UNIDO; and from \$1,700 in 1968 to \$1,950 in 1971 in United Nations/ESA. In UNCTAD the average 1971 rate was as high as \$2,970.

233. The fee-setting procedures described above appear to the Inspectors to be in principle sound and to offer adequate safeguards against unreasonable payments to consultants, provided they are vigilantly observed. Unfortunately, this is not always so. Thus, the Inspectors came across a number of cases where requesting offices had clearly made prior generous commitments to the candidate, the Administration then finding itself in the invidious position of having either to haggle with the candidate - an arduous and time-consuming exercise - or to underwrite a *fait accompli*. UNCTAD goes further still: it feels that it need not clear fees above \$5,000 as laid down in existing regulations.

234. One of the reasons for this seems to be that some substantive offices fear that their candidate may not otherwise accept employment with the United Nations. The scarcity of good consultants is, the Inspectors were told, such that an expert with an international reputation is able to command virtually any price he chooses and there is thus allegedly "little scope for bargaining". Actually, the Inspectors were rather more impressed by the time and effort spent precisely on such "bargaining" - by the consultants themselves, by the requesting office (acting often as their spokesman) and by the sorely pressed Administration.

235. Some of the most persistent bargaining relates to the fees of former staff members, especially in the higher brackets, who are apt to insist that, contrary to prescribed standards, the fee be equivalent to their last earnings when on active service. In some cases, what is described by the Administration as

"intolerable pressure" may be exercised in order to assure for the prospective consultant, in violation of prescribed rates, the fee without which he refuses to accept employment. The Inspectors have seen much correspondence and have talked with many officials in this connexion. In one case the requesting office admitted candidly that the gentleman in question was "invaluable", something "he was himself only too well aware of". In another case, when the competent service refused to sign the contract, it was ordered to do so. These actions are, fortunately, logged.

236. The Inspectors attach great importance to the rule that all offers to, and negotiations with, consultants in regard to their fees and other financial considerations (expenses, travel costs, etc.) should be conducted by the Administration and not by the substantive offices. This principle should be enshrined in the new rules proposed in paragraph 221.

237. They would also suggest that the Office of Financial Services issue a warning to all offices that it will henceforth not honour payment claims for fees that were not cleared in accordance with existing rules. This is done in UNIDO - apparently with success.

238. There is no evidence to suggest that the general level of fees paid to consultants by the Secretariat is above what the same consultants might expect to receive from business firms or from governments, at any rate in the countries where the various United Nations headquarters are located (i.e. United States, Switzerland, and Austria). But the Inspectors cannot subscribe to the argument sometimes invoked to justify a fee, namely that the candidate "could get many times as much in other markets". This is possibly true, but then quite a few United Nations staff members could, no doubt, say as much.

239. In this connexion the Inspectors note with appreciation that a number of distinguished experts from the scientific or business communities accept to work for the United Nations for a reasonable, and in some cases even nominal fee - because they are advanced in years, or because they are eminent or are materially sufficient, or simply from a sense of idealism. Be this as it may, the Inspectors feel that three basic criteria should prevail:

- (i) as a matter of principle, emoluments should be based on present duties, not on former ones;
- (ii) consultants' fees should in no case exceed the equivalent of "D-1" (step 1);

- (iii) in cases where former staff members are contracted as consultants, their combined earnings (i.e. fee, as calculated on a monthly basis, and pension) should not exceed their total monthly emoluments at the time of retirement.

240. The Inspectors note, in this connexion, that IAEA's Administrative Manual specifies that any proposal for the engagement of a consultant for a period longer or at a fee higher than those provided for in the Manual shall require approval by the Director-General (AM.II/II, Part II, Section 11, paragraph 4). In UNESCO, contracts involving a fee equivalent to D-1 must be approved by the Assistant Director-General in charge of Administration, who must also endorse the choice of such consultants (UNESCO Manual, item 2435, page 3, paragraph K.1).

241. They wonder whether the contracting of consultants for longer periods and the clearance of fees above a certain level should not, in the United Nations likewise, be the prerogative of the Under-Secretary-General for Administration and Management.

242. The contracting for consultant services, sometimes against SSA's (which is not proper) and for very large fees, of institutions (universities, institutes, etc.) seems to pose occasional problems about which the Inspectors elaborate in their "Note" to the Secretary-General.

243. The Inspectors sought to ascertain what United Nations policy was regarding the fees of members of Ad hoc expert groups. There appears to be none. Ideally, experts are entitled only to travel expenses (economy class) and per diem, even if they make a substantive contribution to meetings. This is especially true of government officials "on loan", as it were, to the Organization. In practice, most offices "play it by ear"; if they can get a paper from an expert free of cost, so much the better; if not, they try to pay him as little as possible. In such cases the fee itself is usually moderate, rarely exceeding \$300 to \$500 per paper; this, the Inspectors were told, often barely covers the clerical expenses involved.

244. Nor does there seem to be any agreed policy as to whether a consultant should be paid a fee for work done by him during a group meeting. Some offices do so; others do not, maintaining that he should be paid only for work done prior to or following the meeting.

245. The Inspectors note that some specialized agencies resort extensively to expert groups. Yet they pay no fees as a matter of principle, on the premise that the experts have the advantage of meeting one another and exchanging views under United Nations auspices.

246. The same goes for ECE, though for a different reason: ECE does not believe in the usefulness of experts acting "in their personal capacity" since, it feels, the latter's recommendations could not be binding on, or even of much validity to governments. Whether they are recruited within the national administrations or come from the private sectors, therefore, they regard all of them as "government appointees" and pay them no fees.

247. Even inside the United Nations Secretariat, at least one office never pays experts a fee - because it hasn't the money. And yet, the Inspectors were told, though it operates in a highly specialized field, not only has it never experienced any difficulty getting the experts it needs, but it has had complaints from experts for not being invited. Indeed, it feels that the better people will wish to do some work for the United Nations even without pay, and that those who insist on a fee may not necessarily be the best people.

248. The Inspectors recommend that the new rules suggested in paragraph 221 should include clear instructions on all the above points and that they be made applicable (with such variations as may be necessary) to all Departments and Offices, as well as to UNCTAD and UNIDO.

Control over the quality of outside expertise

(a) Project formulation and mid-project control

249. When looking into the causes of some of the less successful projects or of outright failures, the Inspectors found that the quality of a project involving recourse to outside expertise depended, essentially on the following factors: (i) the validity of the project per se; (ii) the choice of consultant; (iii) the proper formulation of the project; and (iv) close control over its implementation. In earlier paragraphs they have dealt with the first two aspects. Here they will go into the subject of project formulation and of back-stopping and control during the implementation of the project. Such close control is often a conditio sine qua non of the success of the project.

250. Some offices do just that, and as a result there is a minimum of failures and of rewriting and editing of the finished product. Others, however, tend to give their consultants carte blanche - either because they lack back-stopping staff or because they simply couldn't be bothered - with sometimes dire consequences.

251. In this connexion, the importance of ensuring that both the substantive office and the consultant clearly understand the precise nature of the assignment should need no emphasis. And yet this is still not the case in all offices, which accounts, no doubt, for some of the failures mentioned above.

252. Sometimes the consultant is willing to rewrite his report at no additional cost, in which case the project may be merely delayed. In other cases, however, the consultant - no doubt rightly - considers that the substantive office is to blame, for not formulating, planning and following up the project properly.

253. The Inspectors have heard repeated complaints from the Administration that consultants do not respect the deadlines set in their contracts for completion of their assignments. Nor do the substantive offices keep it informed as to such delays and their causes unless an extension of the contract is required.

254. The Inspectors agree with the Administration that deadlines are an essential element of any contract, which if not respected, may cause the Organization considerable inconvenience and even material loss. At the same time they realize that certain delays may be unavoidable. They hope that their suggestions regarding the tightening of discipline all down the line may induce substantive offices to see to it that time-tables are more faithfully respected.

(b) Evaluation and certification

255. According to United Nations Financial Regulations and Rules, payment of a consultant's fee may be made only when the office which originally requested his services has certified in writing that these services have been satisfactorily performed. Since the same office selected the consultant in the first place, it may be tempted to certify that the consultant's work is satisfactory even when this is not the case. One office head candidly admitted that he would invariably try to "cover up" such a mistake, but would then go on to ascertain its cause and see that it did not recur.

256. In 1965 the AMS had questioned the practice of blanket certification of consultants' services known to be not satisfactorily performed, which act precluded an advantage which the terms of the SSA puts in the hands of the United Nations as employer. Nevertheless, even now the evaluation and certification of services rendered by consultants appears to be often largely a pro forma exercise.

257. Both the Executive Office of ESA and the Office of Financial Services admit that they have no means of telling whether an assignment has indeed been "satisfactorily completed" since only rarely is the "product", if any, appended to the request for payment. When it is not and they ask for it, they sometimes receive evasive replies, or no reply at all. In most cases, therefore, they must take the word of the substantive office concerned.

258. That this procedure requires improvement can be seen from the fact that the Inspectors have come across a number of requests for payment for costly work "satisfactorily completed", when the latter was, sometimes by the admission of the substantive office itself, either of poor quality or even a failure.

259. The Inspectors had from the start serious misgivings as to the wisdom of having the requesting office act as its own certifying and evaluating authority. Admittedly the problem is a difficult one. But at least the substantive offices should be required to provide a far more explicit evaluation of the work performed by their consultants than is the case now. This, incidentally, should make it harder for an unsuccessful consultant to find employment with another United Nations body - something that is perfectly possible today.

260. The Inspectors doubt, however, whether this problem can be solved solely by administrative methods. A good administrative officer should make it his business to ensure, as far as he can, that a certificate of satisfactory performance is not an empty formality; if necessary he should appeal to higher authority. But as a rule it will be difficult to dispute the verdict of the substantive office. It is less a question of rules than of confidence in the professional judgement and good sense of the officials who asked for, and chose, the consultant in the first place. It is upon them that the responsibility must continue to rest for certifying that he has done a satisfactory job. They should be made to realize, however, that they cannot underwrite just any project, however unsatisfactory, without sooner or later incurring trouble.

Records

261. In their introductory remarks the Inspectors mentioned among the constraints encountered in undertaking this investigation, the difficulty of obtaining comprehensive, accurate and comparable statistical data.

262. The budget documents provide useful, but often incomplete and not easily comparable information. The Work Programme Performance reports of the Secretary-General provide increasingly comprehensive information, but even that is still incomplete or is not comparable in the case of certain offices. UNCTAD maintains, commendably, a central register of all consultants employed in a given year, which provides detailed computerized information about them and their work, as well as complete data about annual estimates, appropriations and expenditure - by office and for UNCTAD as a whole. In UNIDO some of this information is likewise available, if in less handy form. In the United Nations, however, such a central roster and comprehensive financial balance-sheet do not exist, each office keeping its own records.

263. The Inspectors found that many substantive offices were in ignorance of the actual cost of the outside expertise used by them, especially in the case of individual Ad hoc expert groups. The information is, of course, available elsewhere - if one knows where to find it and has the time to do so. But it is not provided to these offices as a matter of course and they, in their turn, may not request it - for a variety of reasons. As a result, even though many expert group meetings represent merely one of several components of a project, as matters stand, it is virtually impossible, without time-consuming inquiries, to cost the whole project at any given moment and thus to gauge results against expenditure. Worse, when planning the next meeting in a succession of such venues on a given subject, the convening office has again often only the estimates of the preceding meeting to go by, rarely its actual cost. The Inspectors heard, for instance, of one large meeting for which the accounts have not yet been closed almost two years after it was held. The substantive office is now preparing for the next meeting - with, again, only the estimates of the last one to go by. The reason? The responsible finance officer had to handle several major conferences in succession and his work was delayed.

264. The Inspectors have commented elsewhere on the untidy state of many of the files which they had occasion to study in the course of their investigations.

265. In their "Note" to the Secretary-General the Inspectors make a number of suggestions on the subject of consultants' records. Earlier in this report they recommended that the practice called for by the ACABQ in 1946 be revived, and that the budget documents include each year a separate table giving by office, and for the Organization as a whole (along the lines of UNCTAD's annual consultants' register), a comprehensive financial balance-sheet for outside expertise (fees and travel).

266. Their suggestions regarding the revision of United Nations forms should facilitate the introduction of such comprehensive records without which, they fear, neither the Secretariat, nor - if they so desire - Member States can have any realistic idea of what is happening with the funds appropriated annually by the General Assembly for outside expertise.

VIII. CONCLUSIONS

267. The Inspectors' overall review of the question of experts and consultants hired by the different services of the United Nations shows that recourse to such outside expertise has, in the past ten years, spiralled quantitatively and evolved qualitatively.

268. Thus, between 1962 and 1972 expenditure on individual experts and consultants increased more than five times, from \$337,720 to \$1,768,264 and on Ad hoc expert groups more than doubled, from \$149,970 to \$363,742.

269. During this ten-year period the variety of services performed by, or with the help of outside expertise has also multiplied to such a degree that the terms "consultant" and "expert" are now used to describe virtually anyone contracted by the Secretariat to do jobs which, for one reason or another, it is unable to do itself.

270. Given the changing role of the United Nations (as compared to what it was fifteen or even ten years ago), the consequent evolution of the functions of the Secretariat and the present structure of its staff, the occasional recourse to outside expertise to advise on or help execute activities of an often transient nature that require highly technical knowledge and experience of a type that cannot be provided by the permanent establishment, is no doubt inevitable.

271. But the Inspectors' investigations show that recourse to this type of temporary assistance is excessive, that it could be made far more beneficial to the United Nations, and that in many cases the money appropriated for it could be put to far better use were more effective controls exercised.

272. While a number of projects or activities involving recourse to outside expertise appear to have been successful, sometimes outstandingly so, others seem to have been merely "by and large satisfactory"; yet others were outright failures, the money invested in them being wasted. Actually, the Inspectors gained the impression that a number of projects certified as satisfactory, were in fact not so and that the proportion of failures is, therefore, larger than recognized.

273. When looking into the causes of some of the less successful projects, the Inspectors found almost invariably that these were due to faulty controls or to their absence altogether at one or several (and occasionally all) of the following stages: (i) substantive programming; (ii) the selection of consultants; (iii) the application of administrative and financial procedures; and (iv) substantive control during their implementation.

274. They found, for example, that though attributed by the Secretariat to a legislative or programming body decision, some projects or activities were undertaken, in fact, without any specific authority or without the competent parent body being informed about their exact financial implications. Some of them could have been undertaken with better chances of success elsewhere in the United Nations system; indeed a number of them were being, had been or were about to be so undertaken. Some appeared to be not sufficiently "action-oriented" and were thus of little or no practical usefulness. Some seem to have been undertaken merely because the money - and a consultant - were there. Though paid for from funds for outside expertise, some projects were clearly internal jobs that could have been handled by the regular staff, and in a number of cases were, in fact, being handled by former staff members. Lastly, some projects should, perhaps, not have been paid for by the United Nations at all.

275. The Inspectors also found that there had been in recent years a consistent and often deliberate over-budgeting of funds for outside expertise. This, no doubt, explains the tendency in some offices towards the rush spending of available money during the second half of the year, as a result of which outside expertise of sometimes questionable quality was contracted.

276. Unlike certain other organizations in the United Nations family, the United Nations proper has no administrative arrangements and procedures geared specifically to the use of outside expertise. Such rules and practices as exist are interpreted, much too liberally, by individual offices. Moreover their application leaves likewise much to be desired. Specifically, the Inspectors came across cases of consultants starting or continuing work without a valid contract; of excessive fees, some of them negotiated under pressure and at the wrong administrative level; of unobjective certification of services rendered, etc..

277. Both in the case of individual consultants and, to a lesser extent, in that of Ad hoc groups or panels, the selection of experts left much to be desired. Specifically, the expertise of some of them seemed open to question. Moreover this selection did not procure for the United Nations the desirable variety of knowledge and national experience available in the world of today.

278. While some offices provided close control and back-stopping for their outside experts during the implementation of a project and there was, as a result, a minimum of wasted money and effort, others did so to a much lesser extent, with sometimes costly consequences.

279. Lastly, given the way records on outside expertise are being kept, the Inspectors are of the opinion that it is difficult if not impossible to have a clear, accurate and up-to-date idea of how the funds appropriated annually for this type of temporary assistance are being spent.

280. The Inspectors have given a good deal of thought to the possibility of placing a limitation on the expenditure for outside expertise in the United Nations. Considering the present laxity of controls over the programming and use of funds for such expertise, the far too liberal interpretation of the very concept of "outside expertise" and the consequent spending of consultant money for purposes that have little relation to such expertise, or for activities that should have been paid for under another heading of the United Nations Budget or that should not have been paid for by the United Nations at all; considering the frequent over-budgeting in many offices in recent years of consultant funds and, last but not least, bearing in mind that one of the reasons for the increased expenditure for outside expertise is the very availability of money for this purpose, the Inspectors are convinced that there is room for a substantial reduction in expenditure on this account.

281. To this end, they believe that:

- (a) annual expenditure for "Outside expertise" (i.e. individual experts and consultants and Ad hoc expert groups combined) should, in 1974 and 1975, not exceed \$2.25 million;
- (b) there should be a far stricter enforcement of existing administrative and financial rules and that where these are found lacking, they should be strengthened;
- (c) at the end of this period the General Assembly may wish to assess the results of such measures.

282. The Inspectors are of the view that these suggestions will be without detriment to the essential and priority activities of the United Nations in the field of economic and social development and that the above amount allows sufficient scope for the hiring of outside experts, working individually or in groups, even for a reasonable amount of new and/or unforeseen activities.

MAIN RECOMMENDATIONS^{1/}

Recommendation 1

Annual expenditure for "Outside expertise" (formerly "Individual experts and consultants" and "Ad hoc expert groups") in the United Nations Budget for the 1974-1975 biennium should not exceed \$2.25 million (see paragraph 281).

Recommendation 2

(a) Estimates, appropriations and expenditures for "Outside expertise" should continue to figure as separate items in all United Nations budget documents (paragraph 50 (a)).

(b) The costing of such expertise should be broken down into its various components and be as realistic as possible (paragraphs 50 (c) and 179 (v)).

(c) United Nations budget documents should include each year a separate table giving, by office and in the usual three-year form, accurate estimates, appropriations and expenditure figures for all outside expertise (i.e. individual experts and consultants and Ad hoc expert groups or panels, combined), broken down to show fees and travel costs (paragraph 51).

Recommendation 3

The following criteria should govern the consideration of requests for funds under this budget heading. The services to be performed:

- (a) are specifically requested or accepted by governmental bodies;
- (b) fulfil priority lines of work of the Organization, as specified in the work programmes and/or a legislative or programming decision;
- (c) do not duplicate work or activities already done, being done or about to be done by other offices of the Secretariat, other United Nations bodies or other organizations or agencies of the United Nations system;
- (d) are of a temporary and/or short-term nature and are capable of being performed within a specified period of time;
- (e) cannot be carried out by the regular staff of the Secretariat for lack of specialized knowledge and/or expertise;
- (f) require advice or information that cannot be obtained otherwise; and

^{1/} The Inspectors have made a number of further recommendations, of a purely administrative nature, in their "Note" to the Secretary-General.

(g) are of a clearly defined and specific nature, with an identifiable result which would not implicitly commit the Organization to a large or long-range programme which had not been approved or for which funds are not yet and/or unlikely to be available (paragraph 219).

Recommendation 4

All programmes involving recourse to outside expertise should be so formulated as to provide explicit justification therefor (paragraph 50 (b)).

Recommendation 5

(a) Ad hoc expert groups or panels of experts called for by a legislative or programming body should report back to that body. As far as possible, the membership of such groups or panels should be decided by the legislative or programming body concerned (paragraph 179 (i) and (iii));

(b) Ad hoc expert groups or panels of experts whose essential function it is to advise the Secretariat on technical matters, should be convened only exceptionally. Such groups should be approved individually by the Secretary-General. Funds for such groups or panels should be specifically provided in the Budget (paragraph 179 (ii));

(c) in selecting members of expert groups or panels, efforts should be made to secure the widest possible and most representative range of knowledge and national experience in any given field;

(d) no report, interim or final, nor any findings of an Ad hoc expert group or panel should become the starting-point for additional activities or expenditure involving recourse to outside expertise without the specific authorization of the competent legislative or programming body (paragraph 179 (iv)).

Recommendation 6

Member States are invited to encourage and facilitate to the greatest extent possible the participation of their nationals as experts in the work of the United Nations (paragraphs 206-211).

Recommendation 7

The Secretary-General should be invited to submit to the General Assembly a report as to the measures he proposed to take in the light of the Joint Inspection Unit's report on "The Use of Experts and Consultants in the United Nations".

Annex II

Table "A"

Sources of Outside Expertise in the United Nations 1969-1971^{a/}

Consultants

Total number analysed: 1'135

<u>Country</u>	<u>Number</u>	<u>Country</u>	<u>Number</u>
Algeria	1	Ghana	6
Argentina	17	Greece	5
Australia	19	Guatemala	2
Austria	29	Guinea	1
Belgium	1	Guyana	3
Brazil	5	Haiti	1
Bulgaria	7	Honduras	1
Burma	1	Hungary	15
Byelorussian SSR	1	Iceland	1
Canada	32	India	81
Central African Republic	1	Indonesia	1
Chile	8	Iran	8
China	6	Iraq	3
Colombia	3	Ireland	3
Congo	1	Israel	14
Costa Rica	1	Italy	7
Czechoslovakia	24	Ivory Coast	2
Denmark	10	Jamaica	5
Egypt	21	Japan	22
El Salvador	1	Jordan	2
Ethiopia	3	Kenya	2
Finland	4	Korea	2
France	52	Lebanon	5
(Germany, Federal Republic of) <u>1/</u>	33	Malaysia	1

^{a/} United Nations/ESA and UNCTAD for 1969-1971; UNIDO for 1970-1971 only.

1/ Non-member States.

Table "A" (cont'd)

<u>Country</u>	<u>Number</u>	<u>Country</u>	<u>Number</u>
Mali	1	Venezuela	2
Mexico	9	Yugoslavia	10
Morocco	1	Zambia	2
Netherlands	21		
New Zealand	6		* * *
Nigeria	11		
Norway	8	Unidentified	22
Pakistan	8		
Peru	3		
Philippines	7		
Poland	24		
Romania	2		
Saudi Arabia	1		
Senegal	2		
Singapore	2		
South Africa <u>1/</u>	18		
Spain	4		
Sri Lanka	6		
Sudan	2		
Sweden	19		
(Switzerland) <u>2/</u>	15		
Syria	5		
Tanzania	3		
Togo	1		
Turkey	2		
Uganda	3		
United Kingdom	198		
Uruguay	1		
USA	237		
USSR	5		

1/ Living abroad.

2/ Non-member States.

Table "B"

Sources of Outside Expertise in the United Nations 1969-1971^{a/}
Experts^{b/}

Total number analysed: 1'100

<u>Country</u>	<u>Number</u>	<u>Country</u>	<u>Number</u>
Afghanistan	2	Dahomey	4
Algeria	6	Democratic Yemen	2
Argentina	18	Denmark	11
Australia	10	Dominican Republic	1
Austria	17	Ecuador	5
Belgium	16	El Salvador	1
Bolivia	4	Ethiopia	9
Brazil	23	Finland	6
Bulgaria	5	France	42
Burundi	1	Gabon	1
Cameroon	5	(Germany, Federal Republic of) <u>1/</u>	28
Canada	20	Ghana	20
Central African Republic	1	Greece	3
Chad	1	Guatemala	5
Chile	14	Haiti	1
China	3	(Holy See) <u>1/</u>	1
Colombia	13	Honduras	1
Congo	2	(Hong Kong) <u>1/</u>	1
Costa Rica	1	Hungary	23
Cuba	2	India	56
Czechoslovakia	20		

a/ United Nations/ESA and UNCTAD for 1969-1971; UNIDO for 1970-1971 only.

b/ i.e. members of Ad hoc expert groups or panels.

1/ Non-member States.

Table "B" (cont'd)

<u>Country</u>	<u>Number</u>	<u>Country</u>	<u>Number</u>
Indonesia	4	Peru	5
Iran	15	Philippines	11
Iraq	3	Poland	27
Ireland	3	Portugal	1
Israel	16	Romania	13
Italy	18	Rwanda	1
Ivory Coast	6	Saudi Arabia	1
Jamaica	4	Senegal	3
Japan	27	Sierra Leone	1
Jordan	3	Singapore	5
Kenya	15	Somalia	1
Korea	1	Spain	8
Kuwait	3	(Southern Rhodesia) <u>1</u>	1
Lebanon	9	Sri Lanka	6
Liberia	3	Sudan	5
Libya	5	(Surinam) <u>1</u> /	1
Luxembourg	1	Swaziland	1
Madagascar	5	(Switzerland) <u>1</u> /	16
Malaysia	6	Sweden	28
Mali	1	Syria	4
Mauritania	1	Tanzania	4
Mexico	14	Thailand	12
Morocco	7	Togo	4
Nepal	2	Trinidad and Tobago	5
Netherlands	25	Tunisia	8
Nicaragua	1	Turkey	12
Niger	4	Uganda	7
Nigeria	14	Ukrainian SSR	22
Norway	10	United Kingdom	74
Pakistan	14	Upper Volta	1
Panama	1	Uruguay	7

1/ Non-member States.

Table "B" (cont'd)

<u>Country</u>	<u>Number</u>
USA	75
USSR	4
Venezuela	9
Yemen	2
Yugoslavia	16
Zaire	2
Zambia	3

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Unidentified	22
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