Note by the Director-General

The Director-General has pleasure in transmitting herewith the report of the Advisory Committee on Administrative and Budgetary Questions on the 1969 budget estimates of the International Trade Centre UNCTAD/GATT for consideration by the Committee on Budget, Finance and Administration at its October meeting.
Dear Mr. Secretary-General,

1. The Advisory Committee has considered the 1969 budget estimates for the International Trade Centre, which it has received under cover of your report A/CN.1/R.693 of 24 June 1968. The Committee understands that it is your intention to submit to the General Assembly, in due course, a report containing revised estimates under Section 20, United Nations Conference on Trade and Development, of the regular budget of the United Nations for 1969, in which the United Nations' share of the expenses of the International Trade Centre will be indicated, for the initial budget estimates contain only a pro memoria entry in this respect.

2. In its consideration of the estimates, the Advisory Committee recalled that under General Assembly resolution 2297 (XXII) of 12 December 1967, the Centre is "to be operated jointly by the United Nations Conference on Trade and Development and the General Agreement on Tariffs and Trade on a continuing basis and in equal partnership", as from 1 January 1968.

3. In its twenty-second report (A/6968) to the General Assembly at the latter's twenty-second session the Advisory Committee, while concurring in your proposal that an amount of $90,000 be appropriated under the regular budget for 1968, to give effect to the interim arrangements between UNCTAD and GATT for that year, drew the Assembly’s attention to the probability that "a substantially increased provision will be required in the regular budget of the United Nations in future years to give effect to the decision in question".

4. The Committee notes that the budget estimates for 1969, in the amount of $1,051,000, are $289,400 higher than the 1968 appropriations, and that the United Nations' share is to amount to $379,400 as against $90,000 in 1968. Furthermore, the Secretary-General of UNCTAD and the Director-General of GATT indicate in their introduction that "it is envisaged that in future years the cost of the Centre would be shared equally between both organizations".

The Secretary-General
United Nations
New York, New York.
5. Given the increasing magnitude and cost of the operation, it is essential that the activities and expenses of the Centre should be subject to close review. As regards the former, the Advisory Committee recalls that in operative paragraph 3 of resolution 2297 (XXII) the General Assembly requested "the Secretary-General of UNCTAD to report to the General Assembly at its twenty-third session, through the Trade and Development Board, on the functioning of the International Trade Centre". As regards the latter, i.e. the costs of the Centre, the Committee notes that of the proposed increase of $289,400, $40,100 relates to the increased cost of continuing the 1968 establishment and activities into 1969, and the balance of $249,300 is for new programmes and activities.

6. The proposed increases in programmes and activities have the following budgetary implications:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff costs</td>
<td>$223,100</td>
</tr>
<tr>
<td>Official travel</td>
<td>$4,200</td>
</tr>
<tr>
<td>Space rental</td>
<td>$13,000</td>
</tr>
<tr>
<td>General expenses, equipment</td>
<td>$9,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>249,300</strong></td>
</tr>
</tbody>
</table>

7. The considerable increase under staff costs relates mainly to the creation of a total of thirty-seven new posts - which will increase the total manning table from 45 to 82 posts, i.e. will virtually double it. The number of professional posts shows a total increase of 12 (from 22 to 34) and that of general service posts of 25 (from 23 to 48). The Advisory Committee has reservations concerning the desirability and, indeed, the feasibility of such a rapid increase in staff, and hopes that quality will not be sacrificed. The Committee is also of the opinion that a delayed recruitment reduction at a rate of only 20 per cent is somewhat low. The estimates also include provision for three reclassifications (two professional and one general service posts).

8. The increase under established posts is partly offset by reductions under consultants (from $30,400 in 1968 to $15,000, i.e. by $15,400), and temporary assistance (from a total of $67,500 to $56,000); the main factor in temporary assistance in 1969 will be requirements for translators and revisers ($29,000). The Advisory Committee notes that, over and above the staff requirements included in the estimates, the GATT secretariat expects to furnish additional services in the fields of administrative management, statistics, translation and typing which will not be charged to the budget of the Centre; the value of such services in 1968 has been estimated at $146,800. The increases under established posts entail consequential increases for common staff costs, and rental of premises (the latter increase is estimated at $13,000).
9. As regards the question of accommodation, the Committee has noted lack of office space makes it impossible to house the entire Centre staff either at the Palais des Nations or in the GATT premises, and that in 1969 the staff will be accommodated partly in various United Nations and GATT buildings and partly in rented offices.

10. The Advisory Committee has been informed that, in addition to the activities covered by the regular budget, the Centre will carry out an operational programme financed by voluntary contributions; these are expected to amount to $500,000 in 1969 as against $275,000 in 1968. The Committee also understands that the Joint UNCTAD/GATT advisory Group on the Centre has reviewed the Centre's programme of work for 1969; the Group was aware of the overall financial implications of the programme it recommended.

11. Notwithstanding the foregoing observations, the Advisory Committee is not recommending any reduction in the amount of the United Nations' share of the costs for the operation of the Centre in 1969. However, the Committee believes that some economies in the total operating costs of the Centre will be possible, and it urges the parties concerned to subject the estimates for each activity to the closest scrutiny.

12. Looking to the future, the Committee hopes that the estimates covering the United Nations' share of the costs of the Centre will be included in the usual manner in the initial budget estimates of the United Nations.

13. The Committee's comments on the budget estimates of the Centre will be submitted to the General Assembly at its twenty-third session. In the meantime I should be grateful if you would also have them made available to the various reviewing bodies of GATT and the Contracting Parties for their information.

Yours sincerely,

(Sgd.) J.P. Bannier

J.P. Bannier
Chairman
Advisory Committee on Administrative and Budgetary Questions