Thirty-eighth session
Agenda items 62 (j) and 109

GENERAL AND COMPLETE DISARMAMENT: INSTITUTIONAL ARRANGEMENTS
RELATED TO THE PROCESS OF DISARMAMENT

PROPOSED PROGRAMME BUDGET FOR THE BIENNUIUM 1984-1985

United Nations Institute for Disarmament Research

Twelfth report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has
considered, in so far as they relate to financial and administrative matters, the
implications of the draft resolution on the United Nations Institute for
Disarmament Research (A/C.1/38/L.8/Rev.1). This draft resolution has been brought
to the attention of the Fifth Committee by the Chairman of the First Committee in
the communication reproduced in document A/C.5/38/45.

2. The draft resolution in document A/C.1/38/L.8/Rev.1 would, inter alia, have
the General Assembly approve the draft statute of the United Nations Institute for
Disarmament Research (UNIDIR). The draft statute is contained in annex IV to the
report of the Secretary-General (A/38/467).

3. In its consideration of this matter, the Advisory Committee therefore
concentrated on the provisions of the UNIDIR draft statute which deal with
administration and finance.

4. Paragraphs 10 to 18 of the report of the Director of UNIDIR (A/38/475) provide
background information on the Institute, which was established on 1 October 1980,
initially within the administrative framework of UNITAR. In 1982, the General
Assembly adopted resolution 37/99 K. In section IV of that resolution the Assembly
decided, inter alia, that UNIDIR should "function as an autonomous institution

83-32280 1306a (E)
working in close relationship with the Department for Disarmament Affairs", and that "activities of the Institute shall be funded by voluntary contributions from States and public and private organizations". The Assembly also requested the Secretary-General "to give administrative and other support" to UNIDIR, and requested the UNIDIR Board of Trustees "to draft the statute of the United Nations Institute for Disarmament Research on the basis of the present mandate of the Institute, to be submitted to the General Assembly at its thirty-eighth session".

5. The Advisory Committee was informed that, in response to resolution 37/99 K, UNIDIR was removed from the administrative framework of UNITAR as from 1 January 1983 and a special account (United Nations general trust fund) was established for UNIDIR. The Committee was provided with the following information on the status of the special account:

   Unencumbered balance as at 1 January 1982: $42,528

<table>
<thead>
<tr>
<th></th>
<th>Income (US dollars)</th>
<th>Expenditure and obligations (US dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1982</td>
<td>218 168</td>
<td>353 075</td>
</tr>
<tr>
<td>1983 (9 months ended 30 Sept.)</td>
<td>274 017</td>
<td>249 785</td>
</tr>
<tr>
<td></td>
<td>492 185</td>
<td>602 860</td>
</tr>
</tbody>
</table>

6. In accordance with normal practice, the special account is charged for financial, personnel, legal and miscellaneous administrative services provided by the United Nations. The Advisory Committee was provided with a statement of the administrative and other support provided by the United Nations to UNIDIR and the extent to which these are subject to reimbursement from the special account. The statement is included as annex I to the present report.

7. The Advisory Committee notes that, in general, the UNIDIR draft statute bears a close relationship to statutes and charters approved previously by the General Assembly for other institutions and organs, especially that of UNITAR. There are several important differences, however, in so far as administrative and financial matters are involved. These differences result from an attempt to make the statute cover both the financing of UNIDIR on a voluntary basis and the possibility of a decision by the Assembly to fund certain expenditures from the United Nations regular budget.

8. In the opinion of the Advisory Committee, this has resulted in provisions in the UNIDIR draft statute which are vague as to the precise nature of the arrangements for providing financial and other support to the Institute. For example:
Article III provides that the Board shall consider and adopt the work programme and budget of the Institute. However, the Committee points out that if part of that budget is to be funded from the regular budget of the United Nations, then appropriate provision must be made for review by the Advisory Committee on Administrative and Budgetary Questions and the Assembly.

Article IV could be interpreted either to allow the expenses of the Director and the staff to be met from the regular budget or to require that they be financed from voluntary funds.

Article VII implies the possibility of a contribution by the regular budget to the activities of the Institute. However, if that were to be the case, the precise nature and/or purpose of such a contribution (e.g. for special studies) should be defined.

Article VIII leaves unclear whether the normal requirements with respect to reimbursement of administrative and other support costs (see para. 5 above) are to be applied in the case of UNIDIR.

The Committee believes that the financial and administrative arrangements for the Institute should be clearly defined from the outset and that uncertainties, such as those pointed out above, could lead to later difficulties in applying the statute.

9. One way of resolving the problem would be to assume, on the basis of General Assembly resolution 37/99 K (the relevant portions of which are cited in para. 4 above), that it is the intention of the General Assembly that the Institute should be funded solely by voluntary contributions and not from the regular budget of the United Nations. In order to give proper effect to this assumption a number of provisions of the draft statute could be modified in the manner set forth in annex II.

10. The modifications outlined in annex II would resolve the ambiguities of the draft statute in favour of purely voluntary funding. If the assumption upon which those modifications are based is not acceptable to the General Assembly, however, the Advisory Committee believes that approval of the draft statute should be deferred. Such further guidance as the Assembly may wish to give on the nature of the arrangements for providing financial and other support to the Institute could then be incorporated in a revised draft statute which could be presented to the Assembly at its thirty-ninth session.

11. The Advisory Committee emphasizes that steps should be taken to clear up the ambiguities reflected in the present draft of the UNIDIR statute. However, if the General Assembly decides to adopt the present draft of the proposed statute, the Advisory Committee recommends that it should indicate what form, if any, assistance from the regular budget should take and should give specific guidance on the extent to which the financial and administrative arrangements described in annex I should continue to be applicable.
ANNEX I

Administrative and other support provided by the Secretary-General to the United Nations Institute for Disarmament Research

<table>
<thead>
<tr>
<th>Kind of support</th>
<th>Financial aspect of the support</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Payment of travel and subsistence expenses of and provision of Conference</td>
<td>Not reimbursed by UNIDIR. The activities related to UNIDIR represent approximately one fourth</td>
</tr>
<tr>
<td>Services to the Advisory Board on Disarmament Studies which acts also as the</td>
<td>of the work-load of the Board. On this assumption the estimated annual support would amount</td>
</tr>
<tr>
<td>Board of Trustees of UNIDIR.</td>
<td>to $100,000.</td>
</tr>
<tr>
<td>II. Financial, personnel and legal services provided by the Office of Financial</td>
<td>Reimbursed by UNIDIR by means of programme support costs charged to the Institute at the</td>
</tr>
<tr>
<td>Services, the Office of Personnel Services, the Office of Legal Affairs and the</td>
<td>standard rate applicable to United Nations trust funds. Estimated annual programme support</td>
</tr>
<tr>
<td>United Nations Office at Geneva (UNOG)</td>
<td>cost reimbursement amounts to $38,000.</td>
</tr>
<tr>
<td>III. Miscellaneous services provided by UNOG, such as rent of office facilities,</td>
<td>Reimbursed by UNIDIR at standard rates in the estimated amount of $25,000 per annum.</td>
</tr>
</tbody>
</table>
ANNEX II

Possible revisions to the UNIDIR draft statute
(see para. 9 of the Advisory Committee's report)

Article IV, paragraph 4

Insert the following as the last sentence to this paragraph:

"The salary, allowances, and other expenses of the Director and the staff shall be borne by the Funds of the Institute."

Article V, paragraph 1

Replace the last sentence with:

"They shall not be considered as members of the staff of the Institute but may receive honoraria and be paid travel expenses."

Article VII, paragraph 1

This paragraph should be replaced with the following:

"The expenses of the Institute shall be met from voluntary contributions from States and public and private organizations."

Article VII, paragraph 3

This paragraph should read:

"The funds of the Institute shall be kept in a special account to be established by the Secretary-General in accordance with the Financial Regulations and Rules of the United Nations."

Article VIII:

This should be replaced by the following text:

Article VIII

Administrative and other support

The general administrative, personnel, financial and legal services of the United Nations may be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Director, it being understood that no extra cost to the regular budget of the United Nations is incurred.