

**Item 134: Programme budget for the biennium 2012-2013**

**Introduction of the Secretary-General's report on proposals for a more effective and efficient utilization of resources for air travel to the Fifth Committee, Thursday, 15 March 2012, delivered by Mr. Warren Sach, Officer-in-Charge, Department of Management.**

Mr. Chairman,

I have the pleasure to introduce the Secretary-General's proposals for a more effective and efficient use of resources for air travel which comes at a time when we are all strongly challenged on the resource management front.

The General Assembly, in resolution 65/268, relating to standards of accommodation for air travel, requested the Secretary General to submit, a report on implementation of this resolution and on practical steps taken.

This report is presented in eight parts: the first substantive section, Section II provides recommended reform measures for air travel of officials of the United Nations. Section III relates to the coordination on air travel matters across the United Nations system, Section IV to the use of frequent flyer miles for official travel, Section V to the tracking of costs associated with commercial air travel. Section VI relates to the implementation of the Umoja travel module and Section VII to the delegation of authority to grant exceptions to the standard of accommodation for air travel. A summary of recommendations is listed in Section VIII.

Mr Chairman,

I would like to highlight the main points covered in the report.

Following an overall review of travel entitlements by OHRM, this report presents twenty recommendations that are designed to better utilize resources for air travel.

The Secretary-General recommends an inclusion in the administrative instruction on official travel a provision that would inform all officials of the United Nations not to use, for personal travel, any frequent flyer miles gained as a result of conducting official business on behalf of the Organization. Further, all officials of the United Nations would be encouraged to use for official travel any frequent flyer miles gained as a result of conducting official business. The Secretariat also undertook a study to look into the possibility of establishing a formal system to use frequent flyer miles for official travel. The study benchmarked the UN with other international organizations, member states and the private sector. It evaluated the availability of frequent flyer mile seats for typical UN itineraries. It took into account the travel expenditure in New York and Geneva and explored the potential for outsourcing the pursuit of air tickets in exchange for frequent flyer miles. Following a cost analysis the report comes to the conclusion that it is not cost effective, to introduce such a programme as no net savings could be achieved

As regards travel planning, the Secretary-General has introduced a process to ensure that travel arrangements should be finalized 14 days in advance of commencement of travel. As a consequence it is expected that the organization will utilize a greater percentage of lower advance purchase airfares than before.

An online booking tool will be in place starting in April 2012. It should be noted that only a portion of United Nations itineraries lend themselves to online booking, while a majority will still require manual booking and intervention by qualified agents.

In regards to the standard of accommodation for air travel, the Secretary-General recommends that all consultants, individual contractors and meeting participants are required to travel in economy class except members of committees and panels.

Furthermore, it is recommended to discontinue the payment of in-flight DSA when flying overnight.

As regards, alternatives to air travel, it is recommended that program managers be required to certify that due consideration has been given to alternate methods such as telephone and video conferences.

The Secretary-General also recommends that environmental factors be given due consideration when determining the mode of travel without increasing cost. Where possible, alternatives such as rail travel are to be encouraged which would lead to lower greenhouse gas emissions.

The Secretary-General recommends that the most economical route, as opposed to the most *direct and* economical route, be the determining factor in constructing the travel itinerary so as to be able to take advantage of alliances between different airlines provided that such economy does not cause disproportionate extension of travel time.

It is recommended that when official travel is combined with home leave travel, the standard of accommodation for the entire journey, including the leg of the official travel should be in economy class.

The Secretary-General also recommends a tightening of the conditions under which travel in business class is authorized; it is recommended that the standard of accommodation for air travel for each leg of the journey will be determined independently, unless travel on the subsequent leg is resumed on the same day.

In addition, the maximum connecting time counted against flying time should be reduced from four hours to two hours. It is also recommended to eliminate the intermediate rest stops which previously allowed a rest stop after 16 hours of flying time.

As regards travel of participants undertaking learning and development activities, it is recommended to establish economy class as the standard of travel accommodation regardless of the flying time.

It is further recommended to encourage staff to voluntarily downgrade where possible from a business class entitlement to premium economy or economy.

In order to tighten the conditions for lump sum travel, it is recommended that travel time (days not charged to annual leave) be eliminated and be considered as part of the lump sum package when travelers have chosen the lump sum option for travel on home leave and family visit travel.

For administrative streamlining, the General Assembly's approval is sought to expand the lump sum option to travel on initial appointment, transfer and assignment.

In Section III of the report, the Secretary-General addresses the coordination of air travel matters across the United Nations system.

The Inter-agency Travel Network, including the UN Secretariat, again explored the possibility for global airline agreements. Efforts that were undertaken in this regard, however, it is not recommended to enter into such agreements as they do not appear cost effective. Nevertheless, the report provides extensive examples of how the United Nations organizations currently utilize their combined purchasing power at a number of duty stations to arrive at airline discounts. Specific examples are given for New York and Geneva. The report demonstrates that discounts negotiated both in Europe and North America can be used in either location and many other locations around the world and therefore de facto constitute global discounts.

The request for the proposal of a mechanism to allow for the effective tracking of all cost associated with air travel in the Secretariat has been reviewed by OPPBA. The travel module of UMOJA was designed, accordingly, to provide for this tracking.

As requested by the General Assembly, the report also addresses in Section VI the implementation of the Umoja travel module. In line with the progress report on the Enterprise Resource Planning Project/Umoja, the full implementation of Umoja is projected for 2015. The travel module is scheduled to be part of the Umoja second phase, i.e. Umoja Extension. As one of the most critical parts of Umoja Extension the travel module is expected to be deployed in 2014.

Section VII of the report reviews the delegation of authority to grant exceptions to the standard of accommodation for air travel.

General Assembly resolution 42/214, authorized the Secretary-General to exercise his (her) discretion in making exceptions to allow first-class air travel on a case-by-case basis. This discretionary authority for the approval of exceptions to the standards of accommodation rests in the Office of the Under-Secretary-General for Management.

Circumstances for which may be considered include:

- a. a medical condition(s) necessitates a certain level of comfort not available to the traveller as per the regular entitlement(s);
- b. the normal standard of accommodation is unavailable;
- c. the traveller is considered an “eminent” person if he/she is/was a Head of State/Government, etc.;
- d. the traveller is considered to be a prominent international figure and is donating his/her services free of charge to the Organization; and
- e. the travel involves an arduous journey.

The current procedures for authorizing exceptions are outlined in detail in Section VII of the current report. The Administration finds these procedures to be sufficient and therefore, no changes are proposed.

And lastly, Mr Chairman, Section VIII summarizes the recommendations that call for consideration by the General Assembly.

My colleagues from the Department of Management, and I are now available to answer any questions you may have on this report.

Thank you.