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Proposals for a more effective and efficient utilization of resources for air travel

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on proposals for a more effective and efficient utilization of resources for air travel (A/66/676). The report of the Secretary-General was submitted pursuant to section IV of General Assembly resolution 65/268, in which the Assembly requested the Secretary-General to report on the implementation of the resolution, including the measures set out in the annex, and on practical steps taken to enhance the effective and efficient utilization of resources for air travel in the United Nations. During its consideration of the report, the Committee met with the representatives of the Secretary-General, who provided additional information and clarification.

2. The Advisory Committee recalls that the standards of accommodation for air travel in the United Nations are governed by General Assembly resolutions and decisions, including resolution 42/214; section IV, paragraph 14, of resolution 53/214; section IV of resolution 60/255; section XV of resolution 62/238; section II of resolution 63/268; section IV of resolution 65/268; and decision 57/589. In his report, the Secretary-General proposes a number of measures that are intended to respond to the request of the General Assembly to enhance effective and efficient utilization of resources for air travel. The report also provides information on the coordination of air travel across the United Nations system, use of frequent flyer miles for official travel, tracking of costs associated with commercial air travel in the Secretariat, implementation of the travel module of the enterprise resource planning project, Umoja, and delegation of authority to grant exceptions for first-class air travel.



II. Overall observations

3. The Advisory Committee stresses that resources for official travel should be utilized judiciously in the interest of the Organization. The Committee emphasizes therefore that before official travel is authorized as a means to implement mandated activities, full account of its cost-effectiveness and the impact on productivity resulting from prolonged absences from the office while travelling should be taken into account to determine whether other means of representation and methods of communication can be utilized instead (see also paras. 24-26 below).

4. While the report of the Secretary-General sets out a series of proposals intended to respond to the request of the General Assembly, the Advisory Committee is not fully satisfied with the quality of the report. The Committee particularly regrets that the report does not contain sufficient data and detailed analysis to facilitate a better understanding of the measures presented and notes that a number of proposals are not adequately elaborated.

5. The Advisory Committee re-emphasizes that all proposals presented by the Secretary-General to the General Assembly must always be accompanied by clear justifications to substantiate them and thus facilitate decision-making. In the particular case of the proposals for the effective and efficient utilization of resources for air travel, information on cost savings on the one hand, and the potential impact on staff productivity, working hours lost or gained and effective mandate implementation on the other, should have been clearly demonstrated. The Committee is of the view that, in order to assess the full impact of the measures, the Secretary-General should be requested to submit an initial report to the General Assembly at its sixty-seventh session and to report regularly thereafter on the cost savings, working hours lost or gained and the impact on productivity and effective mandate implementation resulting from each measure put in place.

6. As a result of the lack of sufficient details in the report, the Advisory Committee made many enquiries of the representatives of the Secretary-General for additional information in order to assess the merits of each measure. In making its conclusions and recommendations in the paragraphs below, the Committee took into account the additional information it was provided. However, in some cases, the representatives of the Secretary-General informed the Committee that the requested information did not exist, including data on the overall expenditure for air travel across the United Nations system. In this context, the Committee recalls that the General Assembly had previously noted with concern the lack of consolidated and comprehensive data on air travel across the United Nations system (resolution 65/268, sect. IV, para. 11).

III. Recommendations on specific proposals

Frequent flyer miles

7. The General Assembly decided to consider, at the first part of its resumed sixty-sixth session, the issue of a system for allowing United Nations staff to provide data on frequent flyer miles accrued as a result of official air travel (resolution 65/268, sect. IV, para. 15). The Assembly also requested the Secretary-

General to update the relevant administrative instruction to instruct staff to collect and, where possible, use frequent flyer miles to fund official travel, and not to use frequent flyer miles accrued as a result of official travel for personal travel (*ibid.*, annex, para. 2 (e)). The Assembly further requested the Secretary-General to continue exploring, in the context of section II, paragraph 3, of resolution 63/268, all possible options, including using frequent flyer miles accumulated by staff members from official travel to purchase and upgrade tickets where appropriate (*ibid.*, para. 2 (f)).

8. The Advisory Committee notes from section IV of the report of the Secretary-General that a comprehensive review was conducted of the potential application of frequent flyer miles for official travel within the United Nations. The review concluded that the United Nations could not achieve any savings through a formal programme that manages frequent flyer miles for official travel, and conversely, that, in fact, such a programme might incur significant additional expenditure (A/66/676, para. 64). **The Advisory Committee accepts the Secretary-General's conclusion; however, in view of the evolving nature of the practices of the air travel industry, the Committee nonetheless encourages the General Assembly to request the Secretary-General to continue to monitor industry best practices in this area.**

9. In light of the conclusion of the review that a formal frequent flyer miles programme is not feasible, the Secretary-General proposes that the administrative instruction on official travel instead be amended to instruct all staff 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 and to encourage all officials of the United Nations to use the frequent flyer miles gained as a result of conducting official business on behalf of the Organization for official travel where feasible (see A/66/676, paras. 5 and 87).

10. Upon enquiry as to the enforceability of the two proposals, the Advisory Committee was informed that staff members could be required to provide information on existing personal frequent flyer miles accounts to the Organization for auditing purposes, in a manner similar to the United Nations Financial Disclosure Programme. The Committee was further informed that an across-the-board monitoring of frequent flyer miles accounts would not be feasible; instead, the Organization would have to rely on spot audits by the Office of Internal Oversight Services.

11. **The Advisory Committee recognizes the difficulty in the strict enforcement of the measures outlined above. The Committee also notes the conclusion from the comprehensive review that airlines would not disclose data on mileage accrual to the Organization, as it would violate data privacy laws (A/66/676, para. 53 (d)). In addition, the Committee notes that the implementation of the measures in the manner indicated by the Secretary-General would not incur any financial costs for the Organization and would generate some savings. For these reasons, the Committee sees merit in instructing all staff 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, and in encouraging all officials of the United Nations to use the frequent flyer miles gained as a result of conducting official business on behalf of the Organization for official travel, where feasible. The Committee considers that the Organization can rely on the integrity of staff in the usage of miles earned through official travel.**

Advance purchase of tickets

12. The General Assembly requested the Secretary-General to update the relevant administrative instruction to instruct staff where possible to purchase tickets at least two weeks in advance of travel (resolution 65/268, annex, para. 2 (e)). In paragraphs 6 and 88 of his report, the Secretary-General states that all heads of offices and departments have been instructed to ensure that, as of 1 June 2012, all travel arrangements for individuals travelling on behalf of the United Nations are finalized 16 days in advance of commencement of official travel. This proposal is therefore already being implemented.

13. Upon enquiry as to the rationale for the 16-day threshold, the Advisory Committee was informed that after studying advance purchase options, it was discovered that the “sweet spot” of discounts for advance purchasing was 14 days prior to the commencement of travel. An additional two days were deemed necessary to allow for the processing and issuance of tickets, hence the proposed 16 days. The Committee was further informed that bookings made three months in advance would be highly restrictive, with limits to the number of changes that could be made. Such tickets are frequently non-reimbursable therefore increasing the risk to the Organization in the case of changes. It was further explained that a two-week advance purchase period would cover most discounted airfares.

14. The Advisory Committee firmly believes that better planning of official travel, advance booking and timely purchase of tickets are important factors in enhancing effective and efficient utilization of resources for air travel. While recognizing that for operational reasons certain official travel cannot be planned and finalized in advance, there are other pre-planned events, such as major conferences and meetings, where the dates and level of participation are known well in advance. In addition, travel on home leave can also normally be planned in advance, considering that staff may in some cases choose not to exercise the lump-sum option, in which case the ticket would be purchased by the Organization at the cost of the applicable class of air travel accommodation. In such cases, the Committee believes that advance booking and purchase of tickets is feasible, and the Secretary-General should be requested to actively explore doing so in advance of the stipulated 16 days. The Committee also recommends that the Secretary-General be requested to ensure that unwarranted changes to advance bookings are discouraged and that all changes are approved by the appropriate authorizing official (see also para. 26 below).

Online booking

15. The General Assembly requested the Secretary-General to explore the option of online booking (resolution 65/268, annex, para. 2 (f)). In paragraph 7 of his report, the Secretary-General indicates that, following review by a consultant, the requirement for an online booking tool was included in the current travel agency contract, and a phased implementation of online booking was scheduled to start in April 2012. In addition, the possibility of online booking has been incorporated in the workflows of the travel module of Umoja. The Secretary-General further states that not all United Nations itineraries lend themselves to online booking; a majority still require manual booking and intervention by qualified agents.

16. Upon enquiry, the Advisory Committee was informed that the new contract signed with a vendor would enter into force as of 2 April 2012 and would result in

savings equivalent to 6 per cent in comparison with the existing contract. With respect to the continued use of manual booking by qualified agents, the Committee was informed upon enquiry that online booking tools were not sophisticated enough at this stage to deal with multiple-leg itineraries or to utilize airfare saving tools. **The Advisory Committee expects that the Secretary-General will report back on the savings and efficiencies achieved through implementation of this measure, including by demonstrating a direct link between the reduced cost of the contract with the vendor and the use of online booking, which would entail reduced usage of travel services. While noting the limitations identified, the Committee recommends that the Secretary-General be requested to keep the option of full online booking under review in the context of implementation of Umoja and to report thereon to the General Assembly at a later date.**

Standards of accommodation for air travel

17. In paragraph 10 of its resolution 65/268, the General Assembly requested the Secretary-General to present proposals on the conditions under which staff members below the level of Assistant Secretary-General may travel in business class. In paragraphs 8 and 89 of his report, the Secretary-General proposes that travel at the class immediately below first class for flights exceeding nine hours be maintained for staff members and members of committees and panels. He proposes that all other travellers, including consultants and individual contractors, be required to travel in economy class, unless he determines otherwise taking into account the circumstances of the traveller (i.e. health reasons and the interests of the Organization).

18. As concerns consultants and individual contractors, the Advisory Committee recalls that these are by definition a clearly distinct category of personnel engaged on an ad hoc basis and for specified short-term periods to provide expertise not otherwise available in the Organization or expertise not considered to be cost-effective to maintain in-house on an ongoing basis. As such, payment for the expenses incurred for the professional services rendered to the Organization by consultants and individual contractors is based on an all-inclusive fee that covers the costs of the performance of their contracted functions, including official travel. **Consequently, the Advisory Committee has no objections to the measure establishing economy class as the standard of accommodation for air travel for consultants and individual contractors, unless determined otherwise by the Secretary-General taking into account the circumstances of the traveller (i.e. health reasons and the interests of the Organization).**

19. With respect to the proposal of economy class for all other travellers, the Advisory Committee notes that the report of the Secretary-General is lacking specific information on the types of travellers that would be included in this broad phrase. Upon enquiry as to the scope of the term “all other travellers”, the Committee was provided with the following list: applicant, household member, consultant, trainee, intern, meeting participant, subcontractor, volunteer, Government representative, representative of least developed countries, military observer, police monitor, medical personnel, Government civilian personnel, Government military personnel, international contract personnel, expert (excluding high-level expert) and adviser. The Committee was further informed that the category “international contract personnel” no longer existed in the United Nations Secretariat. The Advisory Committee addresses the measures related to consultants, trainees and subcontractors in paragraphs 18 and 37 of the present report. **The Advisory Committee points out**

that the Secretary-General offers no justification for the other listed categories of travellers being subject to a different standard of accommodation from staff members and members of committees and panels. While the Secretary-General's summary of the proposal in paragraph 89 of his report is limited to consultants and individual contractors, the Committee is of the view that if the Secretary-General wishes in future to apply the proposal beyond the categories of consultants and individual contractors, clear analysis for each category of personnel listed above would need to be provided to the General Assembly.

20. Regarding the Secretary-General's proposal to maintain the nine-hour threshold for business class travel, the Advisory Committee was informed upon enquiry that the basis for maintaining the threshold was that it achieved an optimal balance between savings to the Organization and efficiency considerations, bearing in mind that air travel is an official function and not a matter of choice and that a large amount of travel takes place over weekends and at night and to destinations where strenuous conditions prevail. The Committee was further informed that the Secretary-General also took into consideration the practices of other international organizations. **The Advisory Committee is not fully convinced by the Secretary-General's rationale for maintaining this arrangement or by his assertion that nine hours is the specific point at which an optimal balance between savings and efficiency considerations is achieved. While at present not objecting to maintaining this arrangement, the Committee recommends that the Secretary-General be requested to re-examine this issue and to report thereon to the General Assembly at its sixty-seventh session in the context of the initial report referred to in paragraph 5 above.**

Daily subsistence allowance

21. The Secretary-General proposes that daily subsistence allowance be paid from the first day officials arrive at a location to the last night they spend at that particular location of official business, thereby discontinuing the payment of in-flight daily subsistence allowance, unless it can be supported with documentary evidence (such as hotel bills) that expenses were incurred for early check-in or late check-out (A/66/676, paras. 9 and 90). The proposal is made on the basis that officials do not incur any expenses while in flight.

22. Upon enquiry as to the role of the International Civil Service Commission in establishing daily subsistence allowance rates, the Advisory Committee was informed that the Commission determined the methodology for setting the daily subsistence allowance rates and calculated and promulgated the rates for all locations. The Committee was further informed that while these rates were applied by all common system organizations, individual organizations had different implementation arrangements for specific scenarios.

23. The Advisory Committee was further informed, upon enquiry, of the projected savings resulting from the proposal. Based on an assumption of an estimated 6,800 international official trips undertaken from Headquarters and an average daily subsistence allowance rate of \$200, it is expected that the elimination of daily subsistence allowance payments for nights spent on planes would result in savings of approximately \$1,360,000. **In light of the explanation provided, the Advisory Committee has no objections to the measure.**

Alternatives to air travel

24. The Secretary-General proposes the inclusion in the revised administrative instruction on official travel of a provision that requires programme managers to certify that due consideration was given to achieving the purpose of the particular travel through alternative methods, such as telephone conferencing, videoconferencing or webcasting, before approving any official travel (see A/66/676, paras. 11 and 91). In this connection, the Advisory Committee recalls that in the context of its review of the proposed programme budget for the biennium 2012-2013, it had expressed the expectation that continued efforts would be made to utilize videoconferencing and other electronic means of communication where possible, and its view that maximum use should be made of staff assigned to duty stations or to nearby regional or subregional offices, in order to reduce the need for travel (see A/66/7, para. 104).

25. Upon enquiry, the Advisory Committee was informed that the proposed certification would be provided to the Executive or Administrative Officers of the respective department before tickets were issued. The Committee was also informed that the determination as to whether such alternative methods should be used was within the purview of the substantive programme managers. Furthermore, in most offices and departments, travel plans were approved at the Director, Assistant Secretary-General or Under-Secretary-General levels.

26. The Advisory Committee emphasizes that the primary consideration in authorizing official travel should be whether direct face-to-face contact is necessary for mandate implementation. If not, then alternative methods should be employed. Therefore, the Committee recommends that programme managers be required to certify, before approving any official travel, that alternative methods, such as telephone conferencing, videoconferencing or webcasting, would not be effective and that travel is therefore necessary.

Mode, date and standard of accommodation

Other models of transportation

27. The Secretary-General proposes to include in the administrative instruction on official travel a provision encouraging other modes of transportation that may be beneficial to the environment but do not increase the cost of travel (A/66/676, paras. 12 and 92 (a)). Upon enquiry, the Advisory Committee was informed that while currently the normal mode of official travel in the United Nations was by air, three routes — New York/Washington, Geneva/Paris and Brussels/Paris — lent themselves to travel by train. The Committee was further informed that for a round trip out of Geneva, the average cost by rail was CHF 454, while the average cost by air was CHF 530. The New York/Washington route by air would cost approximately \$500 during the work week, while the cost by train would range between \$300 and \$400. **While the Advisory Committee is not in a position to make a judgement on the environmental impact of the measure, it encourages other modes of travel where it is feasible, cost-effective and does not increase travel time.**

Most direct and economical route

28. The current travel policy provides that the normal route for all official travel shall be the most direct and economical route. The Secretary-General proposes

eliminating the term “most direct” from this provision to administer official business travel using alternative routing, including connecting rather than non-stop service, when substantial savings can be incurred, provided that the total time for scheduled stops for change of planes or other purposes does not exceed four hours (A/66/676, paras. 13 and 92 (b)). Upon enquiry, the Advisory Committee was informed that the proposal would allow the United Nations to mandate, where possible, connecting flights as compared to more expensive non-stop flights, while making every effort to reduce the inconvenience to the traveller by limiting additional travel time to four hours. The Committee was also informed, upon enquiry, that replacing the phrase “most direct and economical route” with “most economical and direct route” would produce the same effect as the Secretary-General’s proposal, as the phrase “most economical” would then take precedence over the phrase “most direct”, while maintaining the principle that direct routing was preferable to extensive detours, which might have an impact on staff productivity.

29. The Advisory Committee is mindful of the need to balance cost savings with staff productivity. While accepting that travel should be primarily through the “most economical” route, the Committee nonetheless deems the term “most direct” a relevant consideration in the routing of official travel. For these reasons, the Committee is of the view that replacing the phrase “most direct and economical route” with “most economical and direct route” would be sufficient to give primacy to achieving economies and therefore permit alternative routing, including connecting rather than non-stop service, when substantial savings can be incurred, provided that the total time for scheduled stops for change of planes or other purposes does not exceed four hours.

Official travel combined with home leave or family visit

30. The Secretary-General proposes that when official travel is combined with home leave or family visit travel, the standard of accommodation for travel by air for the entire journey, including the official business travel, would be the standard of accommodation for air travel on home leave or family visit travel at the least costly airfare (that is, economy class), irrespective of the duration of the particular journey (see A/66/676, paras. 14 and 92 (c)). **The Advisory Committee has no objections to the measure.**

Flying time of each leg of a journey

31. The determination of the standard of accommodation for a journey is currently made on the basis of the combined flying time of all legs of the journey to a given destination, provided the journey is not interrupted for official stops of more than one day. The Secretary-General proposes that the standard of accommodation for air travel for each journey be determined independently and on the basis of the flying time of each leg individually, unless travel is resumed or continued on the same day to the final destination (A/66/676, paras. 15 and 92 (d)).

32. Upon enquiry, the Advisory Committee was informed that current rules allow combining the flying time of official legs of travel to reach a business class entitlement if they are interrupted by only one overnight stop or less. For example, a return trip from New York to Brussels with an official stop in Geneva would currently carry a business class entitlement if the traveller continued the journey within one day of arriving at each official stop. Under the new proposal, this trip

would carry an economy class entitlement, as each official leg of the journey (all less than nine hours) is calculated separately. The Committee was further informed of the projected savings to be gained from the proposal, owing to the change from business to economy class, using two examples of journeys with overnight stops: New York/London/Nairobi (\$3,745) and New York/Paris round trip, departing one day after arriving (\$2,775). The Committee was also informed that if travel continued on the same day to the final destination, the flying time of the official legs of a journey could be combined to reach a business class entitlement.

33. In light of this information, the Advisory Committee has no objections to the measure.

Connecting time

34. The Secretary-General indicates that at present up to four hours for connections between flights is included in the overall flying time of a particular journey when determining the standard of accommodation for air travel. The Secretary-General proposes that the maximum connecting time to be considered in the computation of the total journey time be reduced to two hours (A/66/676, paras. 16 and 92 (e)). Upon enquiry, the Advisory Committee was informed that reducing the connecting time considered allowable in the calculation of the total journey time from four to two hours would reduce the number of instances for which business class travel was granted. The Committee was further informed that this was a fair balance, as it recognized, on the one hand that a long journey was often constituted of several parts and the journey was not over until all parts were completed, and on the other hand that, when the waiting time is long enough, it does not create additional stress. This rule would be applicable when travel was resumed or continued on the same day to the final destination. **In view of this explanation, the Advisory Committee has no objections to the measure.**

Travel for learning and development activities

35. The Secretary-General proposes that economy class be established as the standard of accommodation for air travel for all officials whose travel is associated with attendance as participants in learning and development activities (A/66/676, paras. 17 and 92 (f)). Officials who travel as instructors, or as part of their official duties, will travel on a standard of accommodation that is based on the normal determination of the standard of accommodation.

36. The Advisory Committee notes that learning and development are defined in the Secretary-General's bulletin ST/SGB/2009/9 and that they refer to all training activities undertaken in the Organization. During the Committee's consideration of the proposed programme budget for the biennium 2012-2013, the Secretary-General had indicated, upon enquiry, that the administrative instruction on travel was being revised to require that staff participating in training-related activities funded by the Office of Human Resources Management would travel in economy class, irrespective of the duration of the travel. The Committee had welcomed this initiative (see A/66/7, para. 105).

37. The Advisory Committee has no objection to economy class being established as the standard of accommodation for air travel by all officials whose travel is associated with participation in training activities, nor does it have an objection to officials who travel as instructors, or as part of their

official duties, travelling on a standard of accommodation that is based on the normal determination of the standard of accommodation.

Travel for escorts accompanying evacuees

38. The Secretary-General further proposes that economy class be established as the standard of travel accommodation for escorts accompanying evacuees (A/66/676, paras. 18 and 92 (g)). Upon enquiry, the Advisory Committee was informed that the proposal referred to the medical evacuation of internationally recruited staff members and their family members, and locally recruited staff members and their eligible family members in the case of an acute life-threatening medical emergency, where available local facilities cannot adequately respond. An escort may be a physician or nurse authorized to escort the person or, in certain cases, a family member. In the event of a death, an escort may be authorized to travel to attend the burial and/or to escort the remains.

39. The Secretary-General proposes that escorts travel in economy class so that they may sit in the same cabin as the evacuees they accompany (A/66/676, para. 18). Upon enquiry, the Advisory Committee was informed that the normal standard of accommodation for air travel on medical evacuation was economy class, although the actual standard of accommodation was based on the recommendation of the United Nations medical officer or the United Nations dispensary physician. **In the light of the clarification provided, the Advisory Committee recommends that escorts travel in the same class as the evacuees they are accompanying.**

Voluntary downgrade from business to premium economy

40. The Secretary-General also proposes the introduction of a provision to encourage voluntary downgrade from business to premium economy or regular economy class (A/66/676, paras. 19 and 92 (h)). It is further proposed that the Organization consider covering charges for premium economy when a staff member has opted for a voluntary downgrade from a higher class of service. The Advisory Committee notes that such a provision would enable departments to undertake more official travel with the same amount of travel resources. **For this reason, the Advisory Committee has no objections to the measure, including the option for the Organization to consider covering the charges for premium economy.**

Travel time other than on home leave and family visit

Rest periods upon arrival

41. The Secretary-General proposes that the granting of rest periods (12 hours upon arrival at a given destination) be limited to economy class travel when the journey is more than 6 hours. The rationale provided is that officials travelling at the class immediately below first class are provided with a certain level of comfort that should allow them to report for duty within a reasonable time (4 hours) upon arriving at a given destination (A/66/676, paras. 20 and 93 (a)). Upon enquiry, the Advisory Committee was informed that the Secretary-General considered that economy class travellers on a journey of more than 6 hours (and travellers who opt for voluntary downgrades when flying for longer than 9 hours) did not have the same level of comfort as business class travellers and therefore would be required to report for work within 12 hours (instead of 4 hours) of arrival. **The Advisory Committee has no objections to the measure.**

Elimination of intermediate rest stops

42. The Secretary-General proposes eliminating intermediate rest stops, thereby saving on the daily subsistence allowance that such rest stopovers generate (A/66/676, paras. 21 and 93 (b)). Upon enquiry, the Advisory Committee was informed that the current travel policy allows a one-day rest stop for official trips exceeding a total flying time of 16 hours for each official leg. As an example, on a trip to New York from Bangkok, with a flying time of at least 20 hours, a staff member can request a one-day rest stop en route. The Committee was further informed that, in practice, most travellers do not avail themselves of a rest stop. Moreover, travellers on such long journeys would be entitled to business class, which is comfortable enough that a rest stop is not necessary. The Committee was also informed that this proposal would result in potential savings on daily subsistence allowance. **The Advisory Committee has no objections to the measure.**

Travel time on home leave or family visit*Travel time with the lump-sum option*

43. The General Assembly requested the Secretary-General to explore options for the most effective use of the lump-sum scheme (resolution 65/268, annex, para. 2 (f)). The Advisory Committee notes that the current policy grants travel time on all home leave or family visit travel. The Committee was informed that one day of travel time is granted for each journey of less than 10 hours, two days for each journey of 10 hours or longer but less than 16 hours, and three days for each journey of 16 hours or more, thereby reducing the number of annual leave days required to undertake home leave or family visit travel. The Committee was further informed that the Secretary-General wished to ensure that annual leave was utilized at all times when the lump-sum option was chosen by a staff member.

44. The Secretary-General therefore proposes to limit the granting of travel time to staff members who actually receive an air ticket from the Organization. Consequently, for travel exercised through the lump-sum option, no travel time would be granted, as this option is normally utilized in lieu of all entitlements related to the particular travel (A/66/676, paras. 22 and 94 (a)). Upon enquiry, the Committee was informed that when staff members currently select the lump-sum option, they agree to waive some established entitlements that would be payable under the regular arrangement, such as the payment of air ticket, daily subsistence allowance en route, terminal expenses, excess baggage and unaccompanied shipment. Including travel time as one additional entitlement to be waived was not unreasonable in the opinion of the Secretary-General. Any travel time associated with travel on home leave and family visit travel would be charged to annual leave. **Taking into account the explanations provided, the Advisory Committee has no objections to the measure.**

Reduction of travel time to actual travel calendar days

45. The Secretary-General proposes to reduce the travel time granted for both the outward and the return journey on home leave or family visit to the actual travel calendar days, based on the authorized route (A/66/676, paras. 23 and 94 (b)). **The Advisory Committee has no objections to the measure.**

Lump sum

Terminology relating to the determination of lump-sum payment

46. The Secretary-General proposes that in the section of the administrative instruction on official travel that deals with determining the lump-sum payment, the phrase “75 per cent of the full economy-class fare” be replaced with “75 per cent of the least restrictive economy-class fare” by the least costly scheduled air carrier (A/66/676, paras. 24 and 95 (a)). The Advisory Committee notes that the proposal is made on the basis that this would align the terminology of the administrative instruction on official travel with airline industry terminology.

47. Upon enquiry, the Advisory Committee was informed that the term “full economy-class fare” was selected at the time of the introduction of the lump-sum scheme to reflect the use of an unrestricted airfare without advance purchase, stopover or other airline restrictions, previously designated under the “Y” class of airfare. It was indicated that this pricing structure and designator had since changed and that the proposed terminology of “least restrictive economy-class fare” would better reflect today’s pricing structure and therefore allow travel offices tasked with determining lump-sum amounts to use the least restrictive airfare, even if it is not designated as a “Y” fare or as a full economy-class fare. The Committee was further informed that this change was not expected to have any direct impact on the actual lump-sum amounts to be determined by the Organization and was intended simply to clarify the type of airfares to be used for the calculation for the entitlement.

48. In light of the explanation provided, and the assurance by the representatives of the Secretary-General that the proposal would not affect actual lump-sum amounts, the Advisory Committee has no objections to the measure.

Expansion of lump sum

49. The Secretary-General proposes to expand the lump-sum option to include travel on initial appointment, transfer and assignment based on 75 per cent of the least restrictive economy-class fare (A/66/676, paras. 25 and 95 (b)). **Taking into account the information provided, as reflected in paragraphs 46 and 47 above, and in line with its position expressed in paragraph 48 above on the lump-sum scheme, the Advisory Committee has no objections to the measure.**

IV. Other issues

Tracking of costs

50. The General Assembly requested the Secretary-General to make a proposal for a mechanism to allow for the effective tracking of all costs associated with commercial air travel in the Secretariat (resolution 65/268, annex, para. 2 (a)). In his report, the Secretary-General states that such costs are directly recorded in IMIS at United Nations Headquarters, offices away from Headquarters and regional commissions and are captured in sufficient detail. However, it is indicated that peacekeeping missions and most of the special political missions use the Sun System application, which cannot track air travel charges in sufficiently detailed categories beyond the object of expenditure. It is expected that the implementation of Umoja will enable adequate tracking and classification of all air travel charges

(A/66/676, paras. 66 and 67). In this connection, the Advisory Committee recalls that in its report on information and communications technology, it had taken the position that Member States should be provided assurances that Umoja would be delivered in accordance with the revised timeline (see A/66/7/Add.1, para. 11). **The Advisory Committee looks forward to receiving further information on this issue once Umoja has been implemented.**

Umoja

51. The General Assembly also requested the Secretary-General to implement, as a matter of priority, the Umoja travel module to facilitate and better regulate all travel activities undertaken by the United Nations, including the collection of data necessary for negotiating global deals with airlines and airline alliances (resolution 65/268, annex, para. 2 (c)). In his report, the Secretary-General states that full deployment of Umoja is expected in 2015, with the complete travel module, comprising travel request, travel plan and travel expenses projected to be deployed in 2014 (see A/66/676, paras. 68-71). In this connection, the Committee recalls that in its report on information and communications technology, it had taken the position that Member States should be provided assurances that Umoja would be delivered in accordance with the revised timeline (see A/66/7/Add.1, para. 11). **The Advisory Committee looks forward to receiving further information on this issue once Umoja has been implemented.**

Delegation of authority to grant exceptions for first-class travel

52. In paragraph 8 of resolution 65/268, the General Assembly noted the increase in exceptions authorized by the Secretary-General in accordance with resolution 42/214, and requested the Secretary-General to make every effort to better govern the granting of such exceptions. The Secretary-General was also requested to introduce a set of clear and comprehensive guidelines to better regulate the authorization of upgrades in the class of air travel on an exceptional basis, inter alia, in the case of a medical condition, restricting such upgrades to business class at the highest, without prejudice to instances of medical emergency (resolution 65/268, annex, para. 2 (d)).

53. In his report, the Secretary-General explains that the circumstances meriting an exception are: (a) a medical condition; (b) the normal standard of accommodation is not available and the traveller is required to travel on a particular date; (c) the traveller is considered an eminent person; (d) the traveller is considered to be a prominent international figure and is donating services free of charge to the Organization; and (e) the traveller, after a full day's work, is required to travel in order to resume work immediately upon arrival at another location (A/66/676, para. 73). The Secretary-General also states that even when a medical condition exists, cases of upgrade to first class are very limited, with only one such case since 2009. Upon enquiry, the Advisory Committee was informed that during the period from 1 July 2010 to 31 December 2011, 31 exceptions were granted, none of which were on the grounds of a medical condition or with respect to an individual travelling after a full day's work to resume work at another location. **The Advisory Committee will further examine this issue in the context of the Secretary-General's biennial report on standards of accommodation for air travel submitted in accordance with General Assembly decision 57/589 and resolution 63/268.**

Procurement

54. The General Assembly requested the Secretary-General to ensure that the procurement process for all air travel management services contracts is conducted in full compliance with the general procurement principles set out in financial regulation 5.12, namely: (a) best value for money; (b) fairness, integrity and transparency; (c) effective international competition; and (d) the interest of the United Nations, and to ensure that the procurement process includes the option of awarding a contract to multiple vendors to allow for greater competition among the selected vendors (resolution 65/268, para. 6).

55. Upon enquiry as to the action taken on the request of the General Assembly relating to multiple vendors, the Advisory Committee was informed that the Secretary-General took this into account when conducting the recent solicitation exercise for travel agency services at Headquarters. It was indicated that the request for proposal for travel management services issued in January 2010 contained provisions which clearly articulated the Organization's option to split an award if it offered a best value for money outcome between multiple vendors. The Committee was further informed that when reviewing the proposals submitted by the vendors bidding for the account, the Secretariat noted that the use of single travel agencies was considered an industry best practice both in the private and public sectors. Since any contract for travel agency services today required the corporate client to pay for all expenses incurred by the agency, a split award would require the Organization to pay for duplicate set-ups of travel agency operations, including duplicate global reservation systems, sets of agents, location costs, telecommunication set-ups and administrative support. Therefore, in the event of a split award, the additional expenses incurred would increase the overall contract cost to the United Nations without any discernible benefit.

56. Furthermore, upon enquiry as to the cost of the contract with the vendor, the Advisory Committee was informed that the total travel agency cost for the United Nations, the United Nations Development Programme (UNDP), the United Nations Office for Project Services and the United Nations Population Fund (UNFPA) at Headquarters in 2011 was \$2,978,977, while the cost for 2012 was estimated at \$2,802,246. The Committee was further informed that this represented a cost avoidance of 6 per cent, or \$176,731, while the volume booked by the United Nations travel agency out of New York had increased by 6.6 per cent. According to the representatives of the Secretary-General, the cost avoidance of 6 per cent was the result of moving agents off site to a lower cost location. Some efficiencies were also gained by combining the operations of UNDP, UNFPA, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and the United Nations Secretariat in the off-site centre.

57. The Advisory Committee is of the view that, given the cost involved, the General Assembly should request the Secretary-General to explore other cost-effective options in the procurement of air travel services, taking into account also the experiences of other organizations.

Audit by the Office of Internal Oversight Services

58. The General Assembly requested the Secretary-General to entrust the Office of Internal Oversight Services with conducting a comprehensive audit of all air travel

activities and related practices (resolution 65/268, para. 12). Upon enquiry, the Advisory Committee was informed that the comprehensive travel audit by the Office of Internal Oversight Services was scheduled to begin in February 2012. **The Committee looks forward to receiving the outcome of the audit by the Office of Internal Oversight Services.**

Coordination

59. The General Assembly requested the Secretary-General to promote greater coordination across the United Nations system on air travel matters, including by leveraging the experiences of existing bodies, such as the Inter-Agency Travel Network (resolution 65/268, annex, para. 2 (b)). The Secretary-General indicates that the Inter-Agency Travel Network explored the possibility for global airline agreements and the conclusion was that these did not appear to be cost-effective. Instead, United Nations organizations use their combined purchasing power to achieve airline discounts (A/66/676, paras. 26-40).

Consultations with other entities and staff

60. The Advisory Committee sought clarification as to what would be the scope of application of changes to the current arrangements on air travel. The Committee was informed that, unless specifically excluded, the decisions of the General Assembly are binding on those organizations of the United Nations common system that apply the Staff Regulations and Rules of the United Nations. It is the understanding of the Committee that the Staff Rules are drafted in consultation with all the organizations that apply the Staff Regulations and Rules. In this context, the Committee also wishes to recall that the General Assembly has stressed the importance of a meaningful and constructive dialogue between staff and management, in particular on human resources-related issues, and has called upon both parties to intensify efforts to overcome differences and to resume the consultative process (resolution 63/250, sect. I, para. 2). **The Advisory Committee trusts that this would be ensured.**