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ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

Fourteenth report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twenty-first session

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I. INTRODUCTION

1. In accordance with its terms of reference, the Advisory Committee on Administrative and Budgetary Questions has examined the administrative budgets or budget estimates for 1967 of the following specialized agencies, whose agreements with the United Nations provide for transmittal of their budgets for review by the General Assembly:^{1/} International Labour Organisation (ILO); Food and Agriculture Organization of the United Nations (FAO); United Nations Educational, Scientific and Cultural Organization (UNESCO); International Civil Aviation Organization (ICAO); Universal Postal Union (UPU); World Health Organization (WHO); International Telecommunication Union (ITU); World Meteorological Organization (WMO); Inter-Governmental Maritime Consultative Organization (IMCO).
2. The Committee has also examined the administrative budget of the International Atomic Energy Agency (IAEA) for 1967, which has been transmitted in accordance with article XVI, paragraph 3, of the relationship agreement between the Agency and the United Nations.
3. In addition to the examination of the administrative budgets of the agencies, found in section IV of the report, the Committee submits in section II a number of general comments on certain problems of co-ordination among the agencies. In this connexion the Advisory Committee wishes to acknowledge the valuable contribution made by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies to the efforts of co-ordinating the activities of the family of organizations in the United Nations system. The second report of the Ad Hoc Committee (A/6343) contains recommendations relating to such important matters as budget preparation, presentation and performance, the budget cycle, standardization of nomenclature, audit and inspection, programme planning and evaluation, conferences, meetings and documentation. In the light of the thorough review of these matters undertaken by the Ad Hoc Committee, the Advisory Committee has limited its observations and recommendations in the present report to certain other aspects of co-ordination. The Committee will return to these items in future years in its "follow-up" of the Ad Hoc Committee's

^{1/} Under the relevant agreements with the United Nations, the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) are not required to transmit their budgets for examination by the United Nations.

recommendations, and in accordance with the normal responsibilities delegated to the Advisory Committee by the General Assembly under the terms of article 17, paragraph 3, of the Charter.

4. Section III contains comparative tables showing: (i) the levels of the budgets of the various agencies for 1967 and the corresponding figures for the five previous years; (ii) the number of established posts for 1965, 1966 and 1967; (iii) the budgetary provisions for special projects and activities for the same three years; (iv) the working capital funds for 1967; (v) the 1967 scales of assessments for the United Nations and the specialized agencies and (vi) the collection of contributions at 30 June and 30 September 1965 and 1966.

5. Section IV of the present report comprises ten chapters containing summary analyses of the 1967 budgets of the individual agencies and comments by the Advisory Committee on specific points which arose during the examination of those budgets.

6. The Advisory Committee had the opportunity to discuss many of the questions covered in its report with the executive heads, or their representatives, of most of the agencies. As regards some of the other agencies, the Committee's review has been based on an adequate submission of documentation.

7. The Advisory Committee gave consideration to possible revision of its existing procedures for preparing these annual reports and to measures designed to improve their effectiveness, thereby facilitating examination by Member States. The title of the report does not reflect accurately the subject matter covered, as in addition to reviewing the status of administrative and budgetary co-ordination, the Committee examines also the administrative budgets of the agencies co-operating in the United Nations common system. It might be advisable to separate these subjects in the future, so as to ensure early publication of the part on co-ordination. The Committee will give further consideration to these matters.

8. The Advisory Committee has also studied chapter XIV of the report of the Economic and Social Council to the General Assembly at its twenty-first session,^{2/} which deals with questions of co-ordination and relations with specialized agencies.

^{2/} Official Records of the General Assembly, Twenty-first Session, Supplement No. 3 (A/6303).

9. The General Assembly will presumably wish, as in prior years, to refer to the organizations concerned the observations of the Advisory Committee on their administrative budgets, as well as the records of the discussion thereon in the Assembly. It may also wish to request the Secretary-General to refer to the executive heads, through the consultative machinery of the Administrative Committee on Co-ordination (ACC), any matters arising in the present report and the discussion thereof which call for attention by ACC.

II. INTER-ORGANIZATION ADMINISTRATIVE CO-ORDINATION

A. General Budgetary Trends

10. The gross totals of the 1967 budgets or budget estimates relative to the regular activities of the United Nations family of organizations will amount to \$295 million as compared with \$274 million for 1966. In addition Member Governments are urged to contribute to a number of voluntary programmes: the United Nations Development Programme (UNDP), the United Nations Children's Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and the United Nations Institute for Training and Research (UNITAR). A total amount of \$239 million is at present foreseen for these activities in 1967.

11. The total 1967 figure for the combined budgets for regular activities is 7.91 per cent higher than the comparable figure for 1966. It should be noted however, that this over-all percentage figure is not particularly meaningful as far as individual organizations are concerned, partly because not all of them operate on an annual budget and partly because the levels of the various budgets differ so greatly.

B. The Central Machinery for Co-ordination

Administrative Committee on Co-ordination

12. The thirty-second report of ACC to the Economic and Social Council at its forty-first session (E/4191 and Corr.1) shows the considerable increase and the complexity of the activities of the organizations in the United Nations system which require a co-ordinated approach at the inter-secretariat level. The Advisory Committee noted with interest that ACC paid special attention to the planning and implementation of work programmes in relatively new fields of activity such as population, urbanization and the peaceful uses of outer space. At the same time, emphasis was placed on ACC's role as an instrument and forum for consultation and co-ordination between the operational programmes of the United Nations family financed from voluntary sources. Moreover, ACC endeavoured to come to a general agreement between the organizations concerned in regard to the delineation of responsibilities in the broad field of industrial development.

13. The Advisory Committee appreciates the efforts of ACC to evolve from a body which was mainly concerned with avoiding overlapping and duplication into a high level inter-secretariat organ which, by taking its own initiatives on substantive matters as well as those of an administrative and budgetary nature, promotes "positive" co-ordination.

14. Effective co-ordination requires an active and full-time secretariat, able to devote its entire energies to the problems at hand. In this connexion, the Advisory Committee in its sixteenth report to the General Assembly at its twentieth session (A/6122) referred to Economic and Social Council resolution 1090 H (XXXIX), in which the Secretary-General was requested to consider, in consultation with the executive heads of the specialized agencies and IAEA, and with the Advisory Committee on Administrative and Budgetary Questions, means of strengthening the Secretariat arrangements related to the work of ACC and to take appropriate action. Subsequently, by resolution 1174 (XLI) on this subject, the Council requested the Secretary-General, inter alia, in consultation with the Advisory Committee and the executive heads of the agencies, to take the necessary action, as feasible, to implement the resolution, utilizing as far as possible the present staff of the United Nations and the agencies, and to report to the Council at its forty-third session. Additionally, the Ad Hoc Committee of Experts in paragraph 90 (i) of its second report to the General Assembly at its twenty-first session (A/6343) recommended, inter alia, that adequate staff support should be provided to ACC, by utilizing as far as possible the present staff of the United Nations and the specialized agencies.

15. At its October 1966 session, ACC approved the Secretary-General's proposals according to which the officer serving in a dual capacity as Personal Representative of the Secretary-General to the specialized agencies, and as Deputy Under-Secretary for Economic and Social Affairs in the United Nations Secretariat, should henceforth devote full time to the former function. Under these new arrangements the official would be able to spend more time at the headquarters of the specialized agencies. The proposals would also require a small but somewhat increased staff in New York and in Geneva. The enhanced responsibilities of the new section for inter-agency affairs are also reflected by the Secretary-General's proposal for elevating the position of the Head of that office to the Under-Secretary level and for an upgrading of certain of the existing professional posts.

16. Pursuant to the relevant provisions of Council resolutions 1090 H (XXXIX) and 1174 (XLI), the Secretary-General and his colleagues in ACC consulted with the Chairman of the Advisory Committee at an early stage of their consideration of the subject, and subsequently informed the Advisory Committee of the action taken with a view to further consultation.

17. The Advisory Committee, recognizing the need of a more active and positive role by ACC in the field of inter-agency co-ordination, is in agreement with the general concept of establishing a full-time ACC secretariat. It is also of the opinion that the inter-agency character of this unit must be recognized fully, and that it should be given the status and accorded the necessary co-operation and facility by all member organizations of ACC to enable it to meet the essential and urgent demands made upon its services. The officer in charge of inter-agency affairs should be responsible to the Secretary-General in his capacity as Chairman of ACC. As regards the structural location of the ACC secretariat, the Committee feels that the experience of the expanded full-time staff during its initial period of close and concerted activity with all member bodies of ACC will serve to identify its proper and most effective organizational location.

Special Committee on Co-ordination

18. The Special Committee on Co-ordination of the Economic and Social Council is composed of the officers of the Council, the Chairman of the Council's Co-ordination Committee, and ten members of the Council elected annually. At its May 1966 session, the Special Committee established itself more firmly as a programme committee in connexion with the activities of the United Nations in the economic and social fields - except the activities of the United Nations Conference on Trade and Development (UNCTAD) - and, to a lesser degree, for the over-all programmes of the specialized agencies reporting to the Council. Additionally, the Special Committee reviewed the work and functioning of ACC, stress being placed on the role of ACC in regard to the broad problems of concern to the Council. Of particular note was the Special Committee's suggestion that ACC should propose co-ordinated action to inter-governmental bodies to deal with the new problems in the economic, social and human rights fields.

19. On the recommendation of the Special Committee, the Council, in its resolution 1171 (XLI), decided that the title of that Committee would be changed to Committee for Programme and Co-ordination. It was also suggested that the Committee would meet for a longer period and that its members might be chosen for a longer term. In this connexion, reference is made to the recommendation contained in paragraph 90 (h) of the second report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies to the General Assembly at its twenty-first session (A/6343) that the Special Committee on Co-ordination should consist of experts nominated by States Members of the United Nations for a period of three years to serve as governmental representatives in their expert capacity.

20. At its resumed forty-first session the Economic and Social Council by resolution 1187 (XLI), recalling its earlier resolutions 1090 G and 1093 (XXXIX) and 1171 (XLI), and bearing in mind General Assembly resolution 2150 (XXI) of 4 November 1966 approving the second report of the Ad Hoc Committee of Experts, decided, inter alia, that the Committee for Programme and Co-ordination shall be composed of sixteen States Members of the United Nations to be elected for a period of three years and requested each of those Member States to indicate the government expert whom it would designate to serve on the Committee, keeping in mind the recommendations of the Ad Hoc Committee that such experts have a high degree of experience and competence in (a) the United Nations and related organizations in the economic, financial and social areas, and (b) the governing bodies of the specialized agencies and subsidiary bodies of the United Nations.

Joint meetings of the Administrative Committee on Co-ordination and the Committee for Programme and Co-ordination

21. In previous reports on administrative and budgetary co-ordination the Advisory Committee advocated closer relationship between all the organs and sub-organs of the United Nations system concerned with co-ordination of over-all programmes of activities, and of the common administrative arrangements. The Committee also emphasized the indissoluble link between the programmes and their budgetary implications. In this context the Committee noted with satisfaction the success of the first joint meeting of ACC and the Committee for Programme and

Co-ordination held in July 1966 prior to the forty-first session of the Council. Improvement in the general state of inter-organizational co-ordination became apparent during this joint meeting. Important subjects were discussed, such as the harmonization of the role of the new United Nations Industrial Development Organization (UNIDO) with the facilities of existing international organizations in matters relating to industrial development, the work of the Advisory Committee on the Application of Science and Technology to Development, and the plans for the observance in 1968 of the International Year for Human Rights. Considerable discussion was focused on the respective roles of the Committee for Programme and Co-ordination and ACC, whose functions in some respects could be considered complementary, although the role of ACC is by definition that of an initiating and advisory body.

22. The Advisory Committee notes that this new dialogue between the above two bodies will continue, and it is of the view that such meetings will lead to more effective co-ordination at both the inter-governmental and the inter-secretarial level. The Committee appreciates the invitation extended to its Chairman to participate in the discussions of ACC and the Committee for Programme and Co-ordination concerning not only administrative and budgetary matters, but also those of a substantive nature.

C. Programme co-operation and co-ordination

23. Co-operation between members of the United Nations family of organizations on the formulation of their respective programmes of work and efforts for closer co-ordination between these programmes constantly adopts new forms. A new stimulus toward achieving greater coherence of the activities in the economic, social and human rights fields was given by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies which, in paragraph 73 of its second report to the General Assembly at its twenty-first session (A/6343), recommended that "early steps should be taken to develop and adopt an integrated system of long-term planning of programme formulation and of budget preparation".

24. Over the years ACC has intensified its work of inter-agency programme co-operation. Apart from the fields of common interest mentioned in paragraph 21

above, attention should be drawn to accomplishments in such areas as trade and development, the application of science and technology to development, water resources development and the world programme for universal literacy. The Advisory Committee appreciates this broadening and acceleration of work by ACC, thereby demonstrating its increasing effectiveness and responsibility.

25. The Economic and Social Council at its forty-first session in July-August 1966, took decisions which may lead to a more systematic approach to the co-ordination of work of the organizations in fields of joint interest. In its resolution 1172 (XLI) the Council requested the specialized agencies, in preparing analytical summaries of their work programmes for future years, to follow a substantially uniform pattern to be drawn up by the ACC, and to include in these analytical summaries information on the cost of their programmes and main projects.

26. In resolution 1175 (XLI), the Council requested ACC to suggest ways to secure the proper co-ordination of the contribution that the United Nations and the specialized agencies can make to the institutes concerned with planning, training and research. In resolution 1134 (XLI), the Council invited the specialized agencies, as far as it falls within their competence and budgetary possibilities, to develop long-term programmes for the advancement of women. These are just two examples of new action requested by the Council, requiring not only co-operation between the organizations concerned, but also co-ordination of present and future projects. While welcoming these developments, the Advisory Committee wishes to stress that such efforts toward active co-ordination should be followed up by concerted review, which could best be performed by ACC or one of its subsidiary bodies.

D. The relationship between programmes and budgets

27. In chapter I of its sixth report to the General Assembly at its twenty-first session,^{3/} the Advisory Committee dwelt at some length on the relationship between programmes and budgets, and the trend recently prevailing to bring closer together the programmes of work and the budgetary provisions required to carry out that work,

^{3/} Ibid., Supplement No. 7 (A/6307).

not only in terms of presentation, but also as complementary elements of the decision-making process. Regardless of whether all organizations in the United Nations family will eventually turn to a policy of integrated programme and budget presentation, or to submitting annexes indicating either a break-down into separate programme elements or into figures of objects of expenditure, the trend away from presenting budgets according to one of these systems only is likely to persist.

28. The main purpose of presenting the budgetary provisions related to specific programmes, projects or other alternatives is to show the order of magnitude of the costs involved in these activities at a time when the decision is taken to include them in the over-all work programme, as well as during its implementation. The presentation is not intended irrevocably to allot fixed resources to specific activities. In the opinion of the Advisory Committee, the control over the utilization of resources should not be decentralized.

29. This basic principle of budget building and budget control has been emphasized many times by the Advisory Committee. In this connexion, the Committee would observe that the present practice of dividing part of the programme of work of the United Nations among separate semi-autonomous units, though understandable in the light of the very important sectors of development covered by these units, contains a built-in danger - that self-containment in matters of programme building and control could be considered to include self-containment in budgetary matters. In that case, incorrect concepts could arise in that an appropriation providing for the implementation of a certain programme or for the work of a separate unit could be utilized without observing the normal financial controls in administering expenditures. The impression that such self-contained units might themselves feel in a position to take over the functions of central organs of the United Nations with budgetary appropriations and budgetary control must be avoided. Such a situation might have consequential implications with respect to certain programmes of the specialized agencies.

30. The Advisory Committee is aware of this danger. While maintaining its basic view on the need for close links between the programme of work and the translation of these programmes in budgetary terms, and hoping that the decision-making organs will keep the financial implications of their decisions constantly in mind, the

Committee feels bound to stress the authority of the General Assembly and of the General Conferences of the agencies as appropriating organs, and the fact that central control of budget implementation is a corollary of that constitutional position.

E. Form of budget presentation

Presentation of agency budgets

31. In its report on the question of a uniform layout of budgets (E/4193), ACC stated that it would not be possible to reconcile all the agency requirements with the adoption of a uniform layout for the presentation of budgets. The second report of ACC on the same subject (E/4209) dealt with the presentation of a board classification of programme activities and their financial requirements. Although the report could not be considered as a "uniform presentation" the Economic and Social Council decided that a similar report on expenditures of the United Nations system - with any technical improvements that might be required to make it more useful as a guide to policy making - should be submitted annually to the Council at its summer sessions and to the other United Nations bodies concerned, such as the Advisory Committee and the Fifth Committee.

32. The Ad Hoc Committee of Experts has recommended that a study should be undertaken under the auspices of the Advisory Committee with a view to defining ways and means of bringing the organizations' budget layouts into line and of consequently securing, if possible, their acceptance of a uniform budget presentation.^{4/} The Committee is prepared to undertake such a study and in doing so looks forward to full co-operation from all agencies in the United Nations system.

Presentation of the United Nations budget

33. In the general context of presentation of budgets and programmes the Advisory Committee in its main report on the United Nations Budget estimates

^{4/} A/6343, para. 30.

for 1967^{5/} referred to the introduction of a new annex I to those estimates, and a new presentation^{6/} giving the work programme in the economic, social and human rights fields in relation to its budgetary requirements, both designed to improve comparability of programmes and budgets.

34. The Committee noted with satisfaction that the new chapter I of the report of the Economic and Social Council to the General Assembly at its twenty-first session^{7/} relating to the work programme, was well received by the Council as it gave a comprehensive picture of total expenditures in the economic, social and human rights fields together with statements of the projects included in each programme. In resolution 1177 (XLI), the Council requested the Secretary-General to submit annually updated reports on the work programme and its budgetary implications, and to provide to the Council at its spring session preliminary indications of the budget estimates for the following financial year.

Methods of preparing budget estimates

35. The Advisory Committee appreciates the efforts undertaken by the organizations in the United Nations system to improve the comparability of programmes and budgets. It should be realized, however, that even the adoption of a uniform layout would not automatically remove all areas of incomparability.

36. In the course of its examination of the agencies' budgets, the Advisory Committee noted the divergences in the preparation of those estimates, including variations of the basis for calculating requirements for salaries, wages, allowances and costs of goods and services, which lead to difficulties in comparing budgets. One of the agencies based its 1967 budget estimates on the price levels and salary scales effective as at 1 January 1966, approximately the time of preparation of the estimates, making no provision for any anticipated increases during 1967. Another agency used as a basis actual costs over the preceding two years, plus a provision for anticipated increases in post adjustments for the budget year, and for expected price increases in other

5/ Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307)

6/ E/4179/Rev.1 and Add.1-18 and Corrigenda.

7/ Official Records of the General Assembly, Twenty-first Session, Supplement No. 3 (A/6303), paras. 1-21.

costs. A third agency took a middle course and calculated its estimate for 1967-1968 on the basis of levels of prices and salaries anticipated for the beginning of the budget period (1 January 1967), but made no provision for increases in prices, salaries, wages and allowances which might occur during the budget cycle 1967-1968.

37. The Advisory Committee believes that comparability of the various budgets would be greatly enhanced if the agencies could direct their attention to such divergent practices. The Committee will study these matters in the course of the next year, and expresses the hope that the organizations will be able to review their procedures, with a view to bringing them closer together.

38. The Advisory Committee also noted that some of the agencies used different methods and varying percentages in applying an adjustment or "lapse" factor to the calculation of estimates for salaries and wages for delayed recruitment and turnover of staff, and that others did not use such a factor at all. Where factors were used they ranged between one half of 1 per cent and 7 per cent of such costs. While the Committee realizes that such adjustments depend on the specific requirements of a given agency, it believes that some greater correlation among the factors used should be possible.

F. Scales of assessment

39. The data in table (v) of chapter III show the variations in the rates of contributions to the regular budgets of the organizations in the United Nations family apportioned among the Member States.

40. Among the many factors attributable to these variations are the different systems of financing the budgets under which Member States in two agencies choose for themselves the class of contributions they wish to adopt. Some take into account criteria other than the capacity to pay such as the Member's interest in the substantive operations of the organizations. As regards those agencies which apply methods of assessment similar to those of the United Nations, there remain variations and fluctuations in the scales, even allowing for differences in their membership. In another case Member States are assessed for a minimum contribution at a rate three times higher than that applied by the United Nations.

41. In this connexion the Advisory Committee wishes to draw attention to the fact that the General Assembly at its fourth session adopted resolution 311 (IV) of 24 November 1949, part B of which reads as follows:

"Believing that there is room for closer relationship between the assessments of Member States in the contributions both of the United Nations and of the specialized agencies,

"1. Recognizes that, to the extent that the contributions of members of the specialized agencies are assessed in accordance with principles similar to those on which the contributions of Members of the United Nations are based, it is desirable that the same data should be utilized for the assessment of those contributions;

"2. Authorizes the Committee on Contributions to recommend or advise on the scale of contributions for a specialized agency if requested by that agency to do so;

"3. Requests the Secretary-General to inform each agency that the Committee is available to perform this service."

42. In its report to the General Assembly of August 1950 (A/1330) the Committee on Contributions outlined the procedure to be followed in implementing the resolution, and arranged for its basic statistical data to be made available to the specialized agencies at their request. The organizations are also notified of the dates fixed for the meetings of the Committee in case they should wish to submit requests for advice on General Assembly resolution 311 B (IV).

43. The Advisory Committee is aware of the difficulties confronting certain of the specialized agencies in this regard, and acknowledges that several of the major agencies have brought their scales of assessment into line with those of the United Nations. Nevertheless, there still exist variations in percentage scales of contributions among those agencies which accept the capacity to pay as the basic criteria. It appears to the Committee that it would be in the interest of co-ordination and uniformity to reduce these variations to a minimum taking into account differences in membership and other pertinent factors, and that further attention should be given thereto. The Committee hopes, therefore, that the agencies will keep this matter under review and in so doing that they will avail themselves of the services of the Committee on Contributions.

G. The common system

44. During the past year the International Civil Service Advisory Board (ICSAB) focused its attention largely on a review of the principles underlying the establishment of salaries and allowances for the international civil service, and concluded that a reassessment of the underlying principles was both necessary and desirable. At its fourteenth session in June-July 1966 the ICSAB decided that most of its work and evaluation, as well as the development of recommendations for any significant changes in the salary system, would necessarily have to await further consideration at its regular session in 1967.

45. Two areas related to the common system, namely travel standards of staff, and the amount of the education grant, have been the subject of separate reports to the General Assembly at its twenty-first session.^{8/}

46. ICSAB is continuing its efforts toward common grading standards in the various organizations, and in this connexion has urged early action on the report of two outside experts who recently completed a comparative grading review of certain types of posts in the professional category. It intends to follow up this matter in the hope that common standards for all professional staff in all organizations can eventually be achieved.

^{8/} A/6502 and A/6521.

III. ADMINISTRATIVE BUDGETS OF THE AGENCIES

(i) Amount of estimates or approved budgets

47. The gross totals of the 1967 budgets or budget estimates of the several agencies and the United Nations are shown in the following table, together with the appropriation figures for 1966 and the actual expenditure figures for each of the years 1962, 1963, 1964 and 1965.

48. The 1967 appropriations or estimates of the nine specialized agencies and of the IAEA amount in the aggregate to \$167 million (including generally the administrative and operational services costs of technical assistance), an increase of approximately \$15 million, or about 9.85 per cent, over the corresponding 1966 appropriations.

49. In respect of each agency, an indication of the main factors contributing to the increase (or decrease) in the 1967 budget, by comparison with 1966, is given under the respective agency headings in paragraphs 57 to 146 of the present report.

50. The Advisory Committee has already commented in its report on the 1967 budget estimates of the United Nations on the cumulative effect which these budgets and the regular budget of the United Nations will have upon the amounts which State Members of the organizations will be called upon to pay in 1967.^{2/} The level of total regular budget amounts has already passed the \$295 million mark.

51. The table below shows that the total increase for the United Nations and agencies between 1966 appropriations and 1967 appropriations or estimates is of the order of 7.91 per cent. A similar comparison with the last year for which actual expenses are known (1965) would show an increase of approximately 23.67 per cent.

^{2/} Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307), para. 5.

	1962 Actual expenses	1963 Actual expenses	1964 Actual expenses	1965 Actual expenses	1966 Appropriations	1967 Appropriations or estimates	1967 Increase or (decrease) by comparison with 1965	1967 Percentage increase or (decrease) by comparison with 1965	1967 Increase or (decrease) by comparison with 1966	1967 Percentage increase or (decrease) by comparison with 1966
	US dollars	US dollars	US dollars	US dollars	US dollars	US dollars	US dollars		US dollars	
IILO	11,618,838 ^a / ₁	14,515,983 ^b / ₁	16,977,156 ^c / ₁	21,455,204 ^d / ₁	23,612,073 ^d / ₁	26,523,125 ^d / ₁	5,067,921	23.62	2,911,052	12.33
FAO	14,368,342	16,776,263	18,040,712	20,931,333 ^e / ₁	24,915,950 ^e / ₁	25,058,050 ^e / ₁	4,126,717	19.72	142,100	0.57
UNESCO	18,189,035	19,723,056	21,281,588	24,806,643 ^f / ₁	26,213,304 ^f / ₁	30,723,865 ^f / ₁	5,917,217	23.85	4,510,561	17.21
ICAO	5,503,010	5,943,913	6,120,023	6,398,120 ^g / ₁	7,565,650 ^g / ₁	7,125,221 ^g / ₁	727,101	11.36	(440,429)	(5.82)
UFU	731,598	784,349	1,157,080	1,133,918	1,413,405	1,570,000	436,082	38.46	156,595	11.08
WHO	24,164,650 ^h / ₁	29,783,550 ^h / ₁	33,869,165 ^h / ₁	42,054,222 ^h / ₁	50,209,375 ^h / ₁	57,710,963 ^h / ₁	15,656,737	37.23	7,501,588	14.94
ITU	3,409,714	4,103,032	4,095,012	4,900,716 ⁱ / ₁	6,350,845 ⁱ / ₁	5,845,996 ⁱ / ₁	945,280	19.29	(504,849)	(7.95)
WMO	771,166	867,528	1,078,434	1,501,266 ^j / ₁	2,484,665 ^j / ₁	2,577,181 ^j / ₁	1,075,915	71.67	92,516	3.72
IMCO	401,299	447,522	477,011	918,362	923,726	820,766	(97,596)	(10.63)	(102,960)	(11.15)
IAEA	6,446,139	6,893,613	7,287,179	7,875,184 ^k / ₁	8,744,000 ^k / ₁	9,491,500 ^k / ₁	1,616,316	20.52	747,500	8.55
Sub-total (specialized agencies and IAEA)	85,603,791	99,738,809	110,383,360	131,974,977	152,432,993	167,446,667	35,471,690	26.88	15,013,674	9.85
United Nations	84,452,350	92,195,880	102,948,977	107,111,392	121,567,420	128,227,800	21,116,408	19.71	6,660,380	5.48
GRAND TOTAL	170,056,141	191,934,689	213,332,337	239,086,369	274,000,413	295,674,467	56,588,098	23.67	21,674,054	7.91

Foot-notes on following page.

NOTE: The following rates of exchange have been used in the above table:
Canadian dollars at par; Swiss francs 4.32 = \$US1.00.

- a/ Excluding \$1,118,669 spent in that year but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement through the 1964 budget.
- b/ Excluding \$483,525 spent in that year but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement through the 1965 budget.
- c/ Excluding \$364,064 spent in that year but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement through the 1966 budget.
- d/ Including staff assessment estimated at \$2,284,261 in 1965; \$2,577,661 in 1966 and \$3,206,125 in 1967.
- e/ Net of staff assessment - \$3,389,492 actual in 1965, \$2,972,000 and \$3,062,900 estimates in 1966 and 1967.
- f/ As at 1 November 1966 appropriations in 1965-1966, including advances from the Working Capital Fund and donations, stand at a total of \$51,019,952, of which \$24,806,648 represents expenditures in 1965 and \$26,213,304 relates to the appropriation in 1966.
- g/ Excluding staff assessment: \$2,406,180 in 1965; \$2,447,926 in 1966.
- h/ Estimates. Excluding staff assessment - \$3,418,237.
- i/ Including staff assessment: \$841,471 in 1965; \$904,554 in 1966 and \$930,679 in 1967.
- j/ Includes \$600,000 relating to the Organization's share in the cost of new premises for the European Regional Office authorized in respect of 1966 only, and \$300,000 for the revised emoluments of professional and higher categories of staff, implemented in 1966.
- k/ Excluding undistributed reserves - 1962: \$1,683,140; 1963: \$2,149,570; 1964: \$2,223,130; 1965: \$2,521,370; 1966: \$2,615,590; 1967: \$3,202,890.
- l/ Includes contributions to the Malaria Eradication Special Account in the amount of \$2,000,000 in 1962; \$4,000,000 in 1963 and \$5,363,000 in 1964.
- m/ Including staff assessment - \$3,708,159 in 1965; \$5,727,575 in 1966 and \$6,195,963 in 1967.
- n/ Includes \$2,415,000 for smallpox eradication.
- o/ Excluding staff assessment estimated as follows: \$749,000 in 1965; \$810,000 in 1966 and \$800,000 in 1967.
- p/ Including staff assessment: \$162,900 in 1965; \$183,520 in 1966 and \$143,221 in 1967.
- q/ Including an amount of \$662,685 in 1966 and \$752,161 in 1967 as a New Development Fund, established by the WMO Congress, for the implementation of a World Weather Watch, in response to resolutions 1721 (XVI) and 1802 (XVII) of the General Assembly of the United Nations.
- r/ Excluding staff assessment: \$917,333 in 1965; \$981,500 in 1966; \$1,121,500 in 1967.

/...

(ii) Established posts

52. The number of established posts authorized or requested under the regular budgets for the three years 1965, 1966 and 1967 is given below:

<u>Organization</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>Increase 1965-1967</u>		<u>Increase 1966-1967</u>	
				<u>Number</u>	<u>Per cent</u>	<u>Number</u>	<u>Per cent</u>
ILO	1,255	1,268	1,303	48	3.82	35	2.76
FAO	1,944	2,150	2,171	227	11.68	21	0.98
UNESCO	1,558	1,590	1,640	82	5.26	50	3.14
ICAO	529	557	561	32	6.05	4	0.72
UFU	75	75	79	4	5.33	4	5.33
WHO	2,484	2,611	2,751	267	10.75	140	5.36
ITU	370	406	422	52	14.05	16	3.94
WMO	120	127	127	7	5.83	-	-
IMCO	58	72	72	14	24.14	-	-
IAEA	765	800	818	53	6.93	18	2.25
Sub-total agencies	9,158	9,656	9,944	786	8.58	288	2.98
United Nations ^{a/}	6,253	6,850	6,904	651	10.41	54	.79

^{a/} Includes staff of the Office of the United Nations High Commissioner for Refugees (1967: 286; 1966: 271; 1965: 232); Registry of the International Court of Justice, The Hague (30 in each of the years); United Nations Conference on Trade and Development (1967: 441; 1966: 361; 1965: 169); United Nations Field Service staff (1967: 217; 1966: 258; 1965: 219); Manual Workers at United Nations Headquarters (203 for each of the years) and Geneva (75 for each of the years); local staff at information centres, the regional economic commissions - ECA, ECAFE, ECLA - and the Economic and Social Office, Beirut (1967: 906; 1966: 906; 1965: 856).

(iii) Special projects and activities

53. The provisions in the several budgets or budget estimates for special projects and activities are as follows:

	<u>1965</u> \$	<u>1966</u> \$	<u>1967</u> \$
ILO	1,904,500	2,321,600	2,095,450
FAO	1,532,600	1,482,800	1,602,300
UNESCO	6,457,834	7,248,908	8,301,539
ICAO	83,448	645,000	45,000
UPU	69,815	111,065	281,481
WHO	5,548,366	6,315,549	7,392,339
ITU	-	655,346	449,491
WMO	433,520	743,685	854,928
IMCO	-	-	-
IAEA	2,052,000	2,320,000	2,497,000

(iv) Working capital funds

54. The amounts approved or proposed for the working capital funds in relation to the 1967 budget estimates and the appropriations for the financial periods together with percentages, are shown in the following table:

(1) <u>Agency</u>	(2) <u>1967 Gross budget estimates</u>	(3) <u>Gross appropri- ations for financial period^{a/}</u>	(4) <u>Working capital fund</u>	(5) <u>Percentage of column (4) to column (2)</u>	(6) <u>Percentage of column (4) to column (3)</u>
ILO	26,523,125	-	4,500,000	16.97	-
FAO	25,058,050	49,974,000	4,500,000	17.96	9.00
UNESCO	30,723,865	62,950,000	4,000,000	13.02	6.35
ICAO	7,125,221	-	800,000	11.23	-
UPU	1,570,000	-	<u>b/</u>	-	-
WHO	57,710,963	-	6,004,000	10.40	-
ITU	5,845,996	-	<u>b/</u>	-	-
WMO	2,577,181	7,151,905 ^{c/}	268,370	10.41	3.75
IMCO	820,766	1,744,492	150,000	18.27	8.60
IAEA	9,491,500	18,235,500 ^{d/}	2,000,000	21.07	10.97
UN	128,227,800	-	40,000,000	31.19	-

^{a/} FAO 1966-1967; UNESCO 1967-1968; WMO 1964-1967; IMCO 1966-1967; IAEA 1966-1967.

^{b/} In the case of UPU, the working expenses of the International Bureau are advanced by the Swiss Government. Such advances must be repaid at the earliest possible date and any sums outstanding on 31 December of the year of account carry interest as from that date at 5 per cent per annum. In ITU, the annual contributions for the budget are payable in advance and any sums outstanding on 1 January of the year of account carry interest as from that date at 3 per cent for the first six months and 6 per cent thereafter.

^{c/} The figure given corresponds to the net appropriation for the fourth financial period of WMO, i.e., 1964-1967, as the staff assessment plan was adopted only at the 17th session of the Executive Committee in May/June 1965.

^{d/} Excluding \$275,000 supplemental appropriation for additional staff costs in 1966.

(v) Scales of assessment

55. The following table shows the scales of assessment for the United Nations and the agencies for 1967:

Members ^a / United Nations ^b	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UFR (per cent)	WHO (per cent)	ITU (per cent)	WMO (per cent)	IMCO ^c / (per cent)	IAEA (per cent)
Afghanistan	0.05	0.07	0.05	0.13	0.32	0.05	0.11	0.09	-	0.05
Albania	0.04	-	0.04	-	0.32	0.04	0.11	0.09	-	0.04
Algeria	0.10	0.13	0.09	0.21	0.11	0.09	0.64	0.09	0.24	0.09
Argentina	0.92	1.21	0.86	0.96	2.68	0.82	3.19	1.31	0.92	0.83
Australia	1.58	2.08	1.48	2.12	2.68	1.41	3.82	1.75	0.63	1.42
Austria	0.53	0.70	0.50	0.54	0.54	0.47	0.21	0.52	-	0.48
Belgium	1.15	1.51	1.08	1.41	1.61	1.02	1.06	1.22	0.68	1.03
Bolivia	0.04	0.04	0.04	0.13	0.32	0.04	0.64	0.26	-	0.04
Brazil	0.95	1.25	0.89	1.47	2.68	0.85	1.06	1.31	0.90	0.86
Bulgaria	0.17	-	0.16	-	0.54	0.15	0.21	0.35	0.38	0.15
Burma	0.06	0.08	0.05	0.13	0.32	0.05	0.21	0.26	0.24	0.05
Burundi	0.04	0.04	0.04	-	0.11	0.04	0.11	0.09	-	-
Byelorussian SSR	0.52	-	0.49	-	0.54	0.46	0.21	0.52	-	0.47
Cambodia	0.04	0.04	0.04	0.13	0.11	0.04	0.21	0.09	0.24	0.04
Cameroon	0.04	0.04	0.04	0.13	0.11	0.04	0.11	0.09	0.24	0.04
Canada	3.17	4.17	2.97	4.08	2.68	2.83	3.82	2.63	1.46	2.85
Central African Republic	0.04	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Ceylon	0.08	0.10	0.07	0.13	0.54	0.07	0.21	0.26	-	0.07
Chad	0.04	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Chile	0.27	0.35	0.25	0.30	0.54	0.24	0.64	0.44	-	0.24
China	4.25	-	2.50	0.67	2.68	3.79	3.19	3.76	0.82	3.82
Colombia	0.23	0.30	0.21	0.38	0.54	0.21	0.64	0.35	-	0.21
Congo (Brazzaville)	0.04	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Congo (Leopoldville)	0.05	0.07	0.05	0.13	0.32	0.05	0.21	0.35	-	0.05
Costa Rica	0.04	0.04	0.04	0.13	1.07	0.04	0.11	0.09	-	0.04
Cuba	0.20	0.26	0.19	0.21	0.32	0.18	0.21	0.26	0.33	0.18
Cyprus	0.04	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	0.04
Czechoslovakia	1.11	-	1.04	1.09	1.61	0.99	0.64	0.96	0.30	1.00
Dahomey	0.04	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	ITU (per cent)	WMO (per cent)	IMCO ^{c/} (per cent)	IARA (per cent)
Denmark	0.62	0.70	0.82	0.58	0.76	1.07	0.55	1.06	0.70	1.59	0.56
Dominican Republic	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.64	0.09	0.24	0.04
Ecuador	0.05	0.12	0.07	0.05	0.13	0.32	0.05	0.21	0.09	0.24	0.05
El Salvador	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.64	0.09	-	0.04
Ethiopia	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.17	-	0.04
Germany (Federal Republic of)	-	4.44	9.74	6.95	6.99	2.68	6.61	4.25	4.64	3.25	6.67
Finland	0.43	0.30	0.57	0.40	0.48	1.07	0.38	0.64	0.52	0.77	0.39
France	6.09	6.07	8.01	5.71	7.17	2.68	5.43	6.38	4.55	3.21	5.48
French Overseas Territories	-	-	-	-	-	0.32	-	0.21	-	-	-
French Polynesia	-	-	-	-	-	-	-	-	0.09	-	-
French Somaliland	-	-	-	-	-	-	-	-	0.09	-	-
Gabon	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	0.04
Gambia	0.04	-	0.04	-	-	-	-	-	-	-	-
Ghana	0.08	0.12	0.10	0.07	0.13	0.32	0.07	0.21	0.17	0.30	0.07
Greece	0.25	0.21	0.33	0.23	0.30	0.54	0.22	0.21	0.26	3.98	0.23
Guatemala	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.09	-	0.04
Guinea	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.11	0.09	-	-
Guyana	-	0.12	0.04	-	-	-	-	-	-	-	-
Haiti	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.09	0.24	0.04
Holy See	-	-	-	-	-	0.11	-	0.11	-	-	0.04
Honduras	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.11	0.09	0.29	0.04
Hong Kong	-	-	-	-	-	-	-	-	0.09	-	-
Hungary	0.56	0.42	-	0.52	-	1.07	0.50	0.21	0.52	-	0.50
Iceland	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	0.31	0.04
India	1.85	2.91	2.43	1.73	2.09	2.68	1.65	2.76	2.29	1.04	1.67
Indonesia	-	0.10	0.51	0.36	0.38	1.61	0.35	0.21	0.70	-	0.35
Iran	0.20	0.27	0.26	0.19	0.21	0.54	0.18	0.21	0.26	0.24	0.18
Iraq	0.08	0.12	0.10	0.07	0.13	0.11	0.07	0.21	0.09	-	0.07
Ireland	0.16	0.23	0.21	0.15	0.26	1.07	0.14	0.64	0.26	0.35	-
Israel	0.17	0.12	0.22	0.16	0.41	0.32	0.15	0.21	0.26	0.53	0.15
Italy	2.54	2.36	3.34	2.38	3.10	2.68	2.26	2.12	2.29	3.48	2.29
Ivory Coast	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.21	0.09	0.24	0.04

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	ITU (per cent)	WMO (per cent)	IMCO ^{c/} (per cent)	IASA (per cent)
Jamaica	0.05	0.12	0.07	0.05	0.13	0.11	0.05	0.21	0.09	-	0.05
Japan	2.77	2.02	3.64	2.60	2.82	2.68	2.47	4.25	2.29	6.76	2.49
Jordan	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	0.04
Kenya	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	0.04
Korea (Republic of)	-	-	0.17	0.12	0.13	0.32	0.12	0.21	0.17	0.31	0.12
Kuwait	0.06	0.12	0.08	0.05	0.13	0.11	0.05	0.21	0.09	0.31	0.05
Laos	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Lebanon	0.05	0.12	0.07	0.05	0.20	0.11	0.05	0.11	0.09	0.66	0.05
Liberia	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.21	-	9.43	0.04
Libya	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	0.04
Liechtenstein	-	-	-	-	-	0.11	-	0.11	-	-	-
Luxembourg	0.05	0.12	0.07	0.05	0.13	0.32	0.05	0.11	0.09	-	0.05
Madagascar	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.09	0.24	0.04
Malawi	0.04	0.12	0.04	0.04	0.13	-	0.04	0.11	0.10	-	-
Malaysia	0.12	0.20	0.16	0.11	0.16	0.32	0.11	0.64	0.27	-	-
Maldives Islands	0.04	-	-	-	-	-	0.04	-	-	-	-
Mali	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	0.04
Malta	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	-	0.27	-
Mauritania	0.04	0.12	0.04	0.04	0.13	-	0.04	0.11	0.09	0.24	-
Mauritius	-	-	-	-	-	-	0.02	-	0.09	-	-
Mexico	0.81	0.76	1.06	0.76	1.02	1.61	0.72	1.06	0.87	0.39	0.73
Monaco	-	-	-	0.04	-	0.11	0.04	0.11	-	-	0.04
Mongolia	0.04	-	-	0.04	-	0.11	0.04	0.11	0.09	-	-
Morocco	0.11	0.14	0.14	0.10	0.13	1.07	0.10	0.21	0.17	0.27	0.10
Nepal	0.04	-	0.04	0.04	0.13	0.32	0.04	0.11	-	-	-
Netherlands	1.11	1.13	1.46	1.04	2.07	1.61	0.99	1.70	1.05	2.81	1.00
Netherlands Antilles	-	-	-	-	-	0.32	-	-	0.09	-	-
New Caledonia	-	-	-	-	-	-	-	-	0.09	-	-
New Zealand	0.38	0.47	0.50	0.35	0.41	2.68	0.34	1.06	0.52	0.37	0.34
Nicaragua	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.09	-	0.04
Niger	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Nigeria	0.17	0.21	0.22	0.16	0.20	0.54	0.15	0.42	0.26	0.28	0.15
Norway	0.44	0.51	0.58	0.41	0.61	1.07	0.39	1.06	0.61	8.44	0.40

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	ITU (per cent)	WMO (per cent)	IMCC ^{c/} (per cent)	IARA (per cent)
Pakistan	0.37	0.59	0.49	0.35	0.46	2.68	0.33	0.64	0.52	0.45	0.33
Panama	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.11	-	2.98	0.04
Paraguay	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.09	-	0.04
Peru	0.09	0.18	0.12	0.08	0.13	0.54	0.08	0.42	0.35	-	0.08
Philippines	0.35	0.37	0.46	0.33	0.30	0.11	0.31	0.21	0.52	0.51	0.31
Poland	1.45	1.25	1.91	1.36	1.43	1.61	1.29	0.64	1.22	0.79	1.31
Portugal	0.15	0.26	0.20	0.14	0.24	1.07	0.13	0.64	0.44	-	0.14
Portuguese East Africa	-	-	-	-	-	1.07	-	-	0.17	-	-
Portuguese West Africa	-	-	-	-	-	1.07	-	0.64	0.09	-	-
Qatar	-	-	-	-	-	-	0.02	-	-	-	-
Romania	0.35	0.43	0.46	0.33	0.37	1.61	0.31	0.21	0.44	0.30	0.31
Rwanda	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
San Marino	-	-	-	-	-	0.11	-	-	-	-	-
Saudi Arabia	0.07	-	0.09	0.06	0.13	0.11	0.06	0.21	0.09	-	0.06
Senegal	0.04	0.12	0.04	0.04	0.13	0.32	0.04	0.21	0.09	0.24	0.04
Sierra Leone	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Singapore	0.04	0.12	-	0.04	0.13	0.11	0.04	0.21	0.17	0.24	-
Somalia	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.21	0.09	-	-
South Africa	0.52	-	-	-	0.65	2.68	0.46	1.70	0.87	-	0.47
Southern Rhodesia	-	-	-	-	-	-	0.02	0.21	0.17	-	-
Spain	0.73	1.04	0.96	0.68	0.90	2.68	0.65	0.64	0.96	1.36	0.66
Spanish Guiana	-	-	-	-	-	-	-	-	0.09	-	-
Spanish Provinces in Africa	-	-	-	-	-	0.11	-	0.21	-	-	-
Sudan	0.06	0.12	0.08	0.05	0.13	0.11	0.05	0.21	0.17	-	0.05
Surinam	-	-	-	-	-	-	-	-	0.09	-	-
Sweden	1.26	1.58	1.66	1.18	1.42	1.61	1.12	2.12	1.40	2.49	1.13
Switzerland	-	1.24	1.16	0.82	1.35	1.61	0.78	2.12	1.14	0.34	0.79
Syria	0.05	0.12	0.07	0.05	0.13	0.11	0.05	0.21	0.17	0.24	0.05
Thailand	0.14	0.20	0.18	0.13	0.18	0.32	0.12	0.42	0.35	-	0.13
Togo	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Trinidad and Tobago	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.21	0.09	0.24	-

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	ITU (per cent)	WMO (per cent)	IMCO ^{c/} (per cent)	IABA (per cent)
Tunisia	0.05	0.12	0.07	0.05	0.13	0.54	0.05	0.42	0.09	0.24	0.05
Turkey	0.35	0.67	0.46	0.33	0.34	1.61	0.31	0.42	0.52	0.60	0.31
Uganda	0.04	0.12	0.04	0.04	-	0.11	0.04	0.11	0.09	-	-
Ukrainian SSR	1.97	1.03	-	1.85	-	1.61	1.76	0.64	1.66	-	1.77
Union of Soviet Socialist Republics	14.92	10.16	-	14.00	-	2.68	13.30	6.38	10.68	5.54	13.43
United Arab Republic	0.23	0.36	0.30	0.21	0.34	1.61	0.21	1.06	0.52	0.37	0.21
United Kingdom of Great Britain and Northern Ireland	7.21	9.14	9.48	6.76	8.91	2.68	6.43	6.38	6.03	11.76	6.49
U.K. Overseas Territories	-	-	-	-	-	0.54	-	0.21	-	-	-
United Republic of Tanzania	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
United States of America	31.91	25.00	31.91	29.94	31.28	2.68	31.20	6.38	23.99	12.49	31.87
U.S. Overseas Territories	-	-	-	-	-	1.61	-	5.31	-	-	-
Upper Volta	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.11	0.09	-	-
Uruguay	0.10	0.17	0.13	0.09	0.13	0.32	0.09	0.21	0.35	-	0.09
Venezuela	0.50	0.50	0.66	0.47	0.58	0.32	0.45	0.64	0.52	-	0.45
Viet-Nam (Republic of)	-	0.21	0.10	0.07	0.13	0.32	0.07	0.21	0.26	-	0.07
West Indies	-	-	-	-	-	-	-	-	0.09	-	-
Western Samoa	-	-	-	-	-	-	0.04	-	-	-	-
Yemen	0.04	0.12	0.04	0.04	0.13	0.11	0.04	0.21	-	-	-
Yugoslavia	0.36	0.40	0.47	0.34	0.35	1.61	0.32	0.21	0.52	0.76	0.32
Zambia	0.04	0.12	0.04	0.04	0.13	-	0.04	0.21	0.17	-	-

a/ A dash (-) against a State indicates that it is not a member of the organization in question, or that its assessment has not been determined.

b/ Recommended by the Committee on Contributions, Official Records of the General Assembly, Twentieth Session, Supplement No. 10 (A/6010), para. 21.

c/ Provisional.

(vi) Collection of contributions

56. The following table shows, in respect of 1965 and 1966, the percentage of contributions to the regular budget collected at 30 June and 30 September, together with the total of contributions outstanding at the latter date:

	<u>Percentage of current year's contributions collected at</u>				<u>Total of all contributions outstanding at 30 September</u>	
	<u>30 June</u>		<u>30 September</u>		<u>(regardless of year of account)</u>	
	<u>1965</u>	<u>1966</u>	<u>1965</u>	<u>1966</u>	<u>1965</u> (US dollars)	<u>1966</u> (US dollars)
ILO	48.25	52.54	71.78	78.81	7,175,845	6,388,376
FAO	51.18	44.23	79.06	68.10	4,299,484	7,647,570
UNESCO ^{a/}	19.53	36.58	67.57	85.19	^{b/} 31,101,071	7,143,223
ICAO	55.66	52.23	78.83	72.83	1,350,973	2,005,418
UPU	58.82	54.41	69.62	61.43	343,880	475,917
WHO	49.63	35.77	75.93	78.23	10,152,434	10,176,437
ITU	87.24	75.96	93.91	80.12	852,578	915,463
WMO	57.16	51.96	76.04	73.34	497,381	666,985
IMCO	45.17	28.62	39.12	23.42	262,275	317,798
IAEA	43.79	33.9	66.59	68.78	3,176,929	3,258,989
United Nations .	31.67	26.20	58.80	55.51	47,187,400	54,612,427

^{a/} All figures relate to the two-year financial period 1965-1966.

^{b/} Excluding arrears payable in annual instalments.

IV. DETAILED COMMENTS ON THE 1967 BUDGETS OF THE AGENCIES

A. International Labour Organisation

	<u>1966</u> <u>Appropriations</u> ^{a/}	<u>1967</u> <u>Estimates</u> ^{a/b/}
	(US dollars)	
Personnel services	13,999,607	16,088,971
General services	3,881,941	4,261,979
Special projects and activities . .	2,321,600	2,095,450
Other budgetary provisions	<u>1,425,764</u>	<u>870,600</u>
Total (gross)	21,628,912	23,317,000
<u>Less: Casual revenue</u>	<u>696,541</u>	<u>844,602</u>
Total (net)	<u>20,932,371</u>	<u>22,472,398</u>

a/ Excluding income from staff assessment in the amount of \$2,577,661 for 1966 and \$3,206,125 for 1967.

b/ The 1967 figures have been calculated on a new basis relating budget to programme and are thus not fully comparable with those given for 1966 which are based mainly on objects of expenditure.

57. The Advisory Committee was pleased to discuss the 1967 budget of the ILO and related matters with the Director-General of the International Labour Organisation and his representative.

58. The estimated gross expenditure budget for 1967 exceeds the original appropriation for 1966 by \$2,282,588 or 10.85 per cent. However, after taking account in 1966 of the supplementary increase of \$594,500 resulting from salary increases for the professional category effective 1 January 1966, the increase amounts to \$1,688,088 or 7.80 per cent.

Summary analysis of the budget

59. The original estimates submitted by the Director-General for 1967, amounting to \$23,620,000, were subsequently reduced by \$303,000 in the light of the views expressed by the Financial and Administrative Committee of ILO's Governing Body.

60. The increase of \$1,688,088 in the 1967 gross expenditure budget as compared to the total 1966 appropriations can be broken down into the following categories:

		Increase (Decrease)	
			\$
(a)	<u>Personnel services</u>		
	Salaries and wages	1,719,404	
	Staff allowances	<u>369,960</u>	2,089,364
(b)	<u>General services</u>		
	Travel and transport	108,241	
	Contractual and other services	144,325	
	Supplies and materials	136,342	
	Property and equipment	<u>(8,870)</u>	380,038
(c)	<u>Special projects and activities</u>		
	Scholarship - fellowships	(21,500)	
	Other	<u>(204,650)</u>	(226,150)
(d)	<u>Other budgetary provisions</u>		
	Provisions for new projects, contingencies and unforeseen expenses	(250,700)	
	Credit to Working Capital Fund	(314,064)	
	Other	<u>9,600</u>	(555,164)
	Total increase		<u>1,688,088</u>

The Director-General explained that in view of the change in presentation from object of expenditure to a programme budget in 1967, as described below, it was necessary to distribute the estimates on a new basis, thereby reducing direct comparability of the 1966 and 1967 figures and the corresponding significance of the increases reflected in the above table.

61. While accepting that true comparability of the 1966 and 1967 estimates may not be possible or as meaningful as in past years, owing to the new budget presentation, a significant part of the increase is directly attributable to staff costs, including additional staff requirements. One element affecting the increase relates to the new concept of "standard cost factors" used in estimating the salaries and common staff costs of personnel. Whereas in previous budgets, estimates of staff costs were based on the anticipated cost during the budget year of each position provided for, for 1967 they are based on standard cost factors, i.e., on averages representing the estimated cost during the budget year of two types of man-years (for the professional and general service categories respectively). The "factor" for professional staff is based on the average

salaries and allowances up to and including the D.1 level, and for the general service category the average over the various grades. Account has been taken in the 1967 budget for one additional post adjustment classification for the professional staff and two increases in general service salaries at Geneva. Other reasons for the higher level of expenditure provided for in 1967 relate to the implementation of various statutory provisions, under the staff regulations, a greater incidence of home-leave travel in odd years, and expected increases in dependency allowances covered by the Staff Regulations.

62. The Advisory Committee was informed that the use of standard cost factors simplifies the costing of programme proposals put forward for possible selection, eliminates whatever chance differences might occur between the estimated costs of different programmes on account of the level of the salaries and allowances of officials who happened to be assigned to them and facilitates the charging of expenditure to programmes on the basis of the staff time made available for their implementation. The Committee appreciates that inclusion in the 1967 budget of certain anticipated increases in salaries and related costs and contractual services which are likely to occur as a result of upward movements in wage and cost-of-living indices, should obviate to a large extent the need for supplementary credits on account of such increases and for consequent withdrawals from the Working Capital Fund. The Committee is interested in this innovation introduced by ILO and will follow further developments.

63. The 1967 budget also provides specifically for the first time for a staff lapse factor. The estimates under each programme show the full cost in 1967 if all authorized staff resources were used without any delay in filling established posts. Accordingly, an amount of \$235,381 is shown as a reduction in the total estimates for 1967. The Committee notes that this amount, which includes all lapse on turnover of existing posts and on the filling of new posts in the 1967 budget, is equivalent to 1.84 per cent of total staff resources. While ILO advises that application of this percentage is justified by past experience, the Committee feels that a higher percentage should have been applied for 1967.

New features in the 1967 budget

64. It was reported to the Advisory Committee that, whereas preceding years' budgets presented principally the types of resources needed for the execution of

the work programmes, the 1967 budget is based on the programmes of work themselves. Thus the 1967 budget is the first prepared under the programme planning system introduced as part of the reorganization of the ILO started in 1964. The system is considered a more efficient means of establishing priorities for ILO action and of formulating a balanced programme based on the needs of the member States and the decisions taken by the ILO Conference and Governing Body. The Committee noted that in its broad lines, the programme for 1967 calls for concentration of effort in three major areas of substantive activity: conditions of work and life, human resources, and social institutions development. Within this general context of priorities, the programme provides for intensification of the research work required to maintain and strengthen the Office's technical competence. The ILO also plans to carry forward the reorganization of its field structure, and intends to examine each phase of the Office's activities to see whether decentralization would make for increased efficiency and best serve the interest of member States.

65. It will be recalled that in its report on the ILO's 1966 budget estimates^{10/} the Advisory Committee referred to the proposed establishment in 1966 of a new programme-planning system as part of the proposed reorganization of ILO. The Committee was informed that under this system the programme and budget cycle involves in the first instance, the establishment of a proposed programme of work, which is then incorporated in the draft budget and its estimated financial requirements compiled. The draft programme and budget are then submitted to the ILO Financial and Administrative Committee, the Governing Body and the Conference. Necessary procedures have been introduced to permit programme changes during the financial year and for progress reports, including evaluation, as part of the programme planning and control machinery.

66. In its examination of the ILO's 1967 estimates, the Advisory Committee noted that the preparation of programme and budget consisted of five main stages and that the detailed financial implications of the programme were considered only at the fourth stage. The Committee was informed that while in the first instance it was true that programme priorities were established without detailed costing, it did not necessarily mean that the cost factor was wholly ignored. In fact it was quite

^{10/} Official Records of the General Assembly, Twentieth Session, Annexes, agenda item 82, document A/6122, paras. 69 and 70.

possible that where programmes were considered to have equal priority, the cost factor might decide whether a programme should be included or not. The ILO stated that attempts had been made to prepare refined costs at the outset, but apart from being a laborious task, experience had shown that such estimates were not essential at that early stage of programme planning. While the Committee appreciates the soundness of the Director-General's explanation, it believes that the financial implications are an essential element of the programme and budget-building process, and that care should be exercised to make sure that they are given due attention as programme plans are formulated.

Staff resources

67. The 1967 budget provides for 35 new posts, 17 professional and 18 general service. The estimates also include 34 upgradings, 18 in the professional and 16 in the general service category, offset in part by 5 downgradings, 1 professional and 4 general service.

68. It was reported to the Advisory Committee that the 35 new posts are in those fields for which the main additional programme resources are requested for 1967, and to which the ILO Governing Body has given high priority. The Director-General considers that each post proposal represents a minimum requirement for additional long-term resources which can be met satisfactorily only by an increase in the permanent establishment.

69. Apart from these 35 new posts in 1967, the Advisory Committee was informed that the Director-General, prior to submitting his 1968 budget estimates, plans to review the credits provided for temporary assistance and the number of posts charged to those funds with a view to converting some posts to the permanent establishment. These requirements have grown rapidly and many officials have been employed on temporary contracts for several years and thus lack security of employment. This situation is also affected by the lack of flexibility in the assignment of permanent staff, where transfers to other programmes developing long-term requirements are limited by the lack of vacancies in the establishment. These and other restrictive factors led to the Director-General's decision to examine this situation. Pending the outcome of the review, he estimates that at least 50 new posts will be required in 1968 for this and other purposes.

70. The Advisory Committee understands the reason for the Director-General's intention to review the expanding credits for temporary assistance and his desire to normalize, where necessary, the ILO establishment. However, the Committee has always maintained that temporary assistance funds provided in all organizations are particularly susceptible of examination and reduction, and it hopes that the Director-General's preliminary assessment of new permanent staff requirements will prove to be over-pessimistic.

Regional and field offices

71. The Advisory Committee was informed of current developments in the establishment of regional and field offices. While reorganization of the field structure had not been completed, considerable progress was reported, especially in the various regions of Africa and the Middle East. Offices have been established or are proposed for 1967 in Addis Ababa, Algiers, Beirut, Cairo and Istanbul. It is also proposed that with a few exceptions all branch offices will come under the supervision of the regional offices, not only as regards administrative, but also substantive matters. Additionally, it is envisaged that most of the correspondents' offices will be phased out by 1968. With regard to accommodation for these offices, the Committee was assured that wherever possible they will be located in existing United Nations offices and buildings, thereby ensuring the maximum utilization of administrative staff, combined premises and services.

72. The Advisory Committee appreciates the advantages inherent in the reorganization of the field structure as explained by the Director-General, and realizes that greater programme effectiveness is the principal objective, but it hopes that decentralization will not lead to an expansion of staff, and considers that with the transfer of additional administrative and substantive functions and responsibilities to the field, it should be possible to effect some reductions in the proportion of the total staff employed at Headquarters.

Headquarters accommodation

73. In its report last year the Advisory Committee noted that the 1966 estimates included \$50,000 for various studies and for the drawing-up of plans for the construction of a new headquarters building^{11/}. At its 163rd session

^{11/} Ibid., para. 76.

(November 1965) the ILO's Governing Body approved the principle of the construction of a new building and proposed its financing from the proceeds of a loan, repayable over a period of forty years, amounting to not more than 75 million Swiss francs, subject to an increase to not more than 90 million Swiss francs, if the cost of construction should exceed the total of 75 million Swiss francs plus the 18 million Swiss francs agreed upon as the selling price to the Foundation of the present ILO building. The International Labour Conference at its 50th session (1 to 22 June 1966) authorized the Director-General to contract the loan to finance construction of the new building.

Co-operative programmes

74. The Advisory Committee expressed interest concerning the relationship foreseen between the ILO and UNIDO. The Director-General indicated his satisfaction with the outcome of the discussions held between the ILO and UNIDO and anticipated early approval of a joint agreement between the two organizations. He assured the Committee that all possible measures have been taken by both bodies to avoid any duplication or overlapping of responsibilities and functions.

B. Food and Agriculture Organization of the United Nations

	<u>1966</u> <u>Appropriations^{a/}</u>	<u>1967</u> <u>Appropriations^{a/}</u>
	\$	\$
Personnel services	18,146,450	18,614,500
General services	5,057,800	4,553,950
Special projects and activities	1,482,800	1,602,300
Other budgetary provisions	<u>228,900</u>	<u>287,300</u>
Total (gross)	24,915,950	25,058,050
<u>Less:</u> Casual revenue	<u>1,157,293^{b/}</u>	<u>1,157,293^{b/}</u>
Total (net)	<u>23,758,657^{c/}</u>	<u>23,900,757^{c/}</u>

a/ The budget has been voted for the two-year period 1966/1967; the appropriations have been divided between the two years for comparison purposes.

b/ Represents part of lump-sum allocation from Special Account of Expanded Programme of Technical Assistance. The thirteenth session of the FAO Conference held in Rome from 20 November to 9 December 1965 authorized an increase in the level of the Working Capital Fund of \$US2 million during the 1966/67 biennium to be financed to the extent of \$1 million from the administrative and operational servicing costs accruing to FAO from the Expanded Programme of Technical Assistance and to the extent of \$1 million from miscellaneous income. Consequently the levels of the net budgets for 1966 and 1967 show the effect of the decrease in revenue from this source, amounting to \$2 million for the biennium.

c/ In addition the Committee was subsequently informed that the forty-seventh session of the Council of FAO (October 1966) approved the withdrawal of \$425,000 from the Working Capital Fund in 1966/67, to be used as follows: (a) increased premises expenses (\$300,000); (b) costs of review of FAO's general structure (\$125,000), of which \$181,500 is to be allotted in 1966 and \$243,500 in 1967.

75. The Advisory Committee had an opportunity to discuss the 1967 budget of FAO with an Assistant Director-General and other representatives of that organization.

76. The 1967 appropriations form part of the biennial budget covering the period 1966-1967, the main features of which were outlined in the Advisory Committee's report of 1965.^{12/} The estimates at that time amounted to \$47,715,000. They were

^{12/} Ibid., paras. 78-90.

increased by the thirteenth session of the FAO Conference in December 1965 to \$49,974,000, to provide an additional amount of \$1,740,000 for increased professional salary scales, effective 1 January 1966, and \$519,000 for a revised post adjustment at FAO Headquarters, and increased operating expenses.

Summary analysis of the 1966-1967 budget

77. The approved estimates for 1966-1967 total \$49,974,000, represent an increase of \$11,001,955 or some 28 per cent over the approved 1964-1965 expenditure. This increase includes the following elements:

(a)	<u>Increases other than substantive</u>	\$ 6,991,250
	Mainly increases in professional salaries, general service salary scale, post adjustments, increases in common staff costs and in general operating expenses.	
(b)	<u>Specific programme expansion</u>	4,010,705
	An increase for programme expansions, general strengthening and related consequential increases.	

Budgetary and programme adjustments

78. The Advisory Committee was informed that in order to make funds available for the Indicative World Plan, and for a number of other purposes to which the FAO Conference assigned high priority, the Director-General instituted a deliberate savings plan at the general level of 4.5 per cent of the biennial budgetary appropriations for most of the divisions and departments. Savings were effected in allocations for consultants, for travel and meetings. Additionally, 42 vacancies in the establishment and 27 new posts authorized for the 1966-67 biennium have been frozen temporarily. These savings yielded a total of \$1,412,055 for the 1966-1967 biennium of which \$957,587 represents a reduction in the 1966 allotments, with the balance of \$454,468 remaining in reserve for 1967.

79. Of the total savings of \$1,412,055, approximately \$1,145,000 has been allocated to the Indicative World Plan. The Advisory Committee noted that, after allowing for this allocation plus a transfer of \$175,000 from the 1966/67 contingency provision, there would be a short-fall of some \$530,000 as compared with the minimum of \$1,850,000 required to carry out the work of the **Indicative World Plan in the current biennium.** To cover part of this short-fall,

attempts are being made to obtain funds from sources outside the regular budget; it is also intended to give first priority to the plan in the use of any additional regular programme savings which may normally occur. In the last resort, work on the Indicative World Plan will have to be adjusted to the funds which can be made available.

Co-operative programmes

80. In its report last year on the 1966 FAO budget, the Advisory Committee noted the expansion of the co-operative programme between FAO and the IBRD and the International Development Association (IDA).^{13/} FAO's direct contribution for the 1966-67 biennium was approved at \$400,000, on the understanding that the cost sharing for the total programme should be on a 75-25 per cent basis for the IBRD and FAO respectively. Subsequent developments required a further contribution from FAO in the amount of \$150,000. Of this amount, \$50,000 has been provided in the form of services by FAO staff for the programme. Some \$35,000 results from increases in professional and general service salaries and additional post adjustments which were not provided for in the original estimates. The balance of \$65,000 is considered essential for a further expansion of the Programme. The total increase of \$150,000 is to be allocated from the deliberate savings mentioned in paragraph 78 above.

81. A new tripartite coffee study is being undertaken by FAO, the IBRD and the International Coffee Organization (ICO). The direct costs of the study are estimated at \$400,000, of which the IBRD will contribute \$200,000 and FAO and ICO \$100,000 each. The agreement provides that FAO's direct contribution of 25 per cent shall be made in the form of personnel. Additionally, FAO has agreed to provide headquarters services for the study, and the assistance of its field officers to members of the study group while they are in the field. The Advisory Committee was assured that there is no duplication with related UNCTAD activities and that FAO has an agreement with that body to prepare this preliminary technical study.

Headquarters accommodation

82. Last year, the Advisory Committee noted that the Italian Government had agreed to turn over to FAO, under the headquarters agreement, the last permanent building

^{13/} Ibid., paras. 86-88.

forming part of the complex, comprising about 500 offices, and which is presently occupied by the Ministry of Posts and Telecommunications.^{14/} As this would probably not take place until 1969 or 1970, the rental of additional premises would be necessary. The Committee has now been informed that the Italian Government assisted FAO and the World Food Programme (WFP) to obtain premises in a new office building, at a cost considerably below current rates for comparable space. FAO and WFP, therefore, entered into a three-year lease, commencing 1 May 1966, with the option of renewal. FAO has also found it necessary to renew the lease of a further 48 rooms of rented premises and to redesign three floors of its headquarters building to create additional offices. To finance this programme the FAO Conference is requested to authorize the utilization of up to \$300,000 from the cash surplus in the 1964-1965 biennium. As an interim measure the Director-General requested and received the approval of the FAO Council to withdraw up to that amount from the Working Capital Fund.

Review of FAO's general structure

83. In accordance with a decision taken by the thirteenth session of the Conference, a review of the organization's general structure is to be undertaken by the Director-General. The Conference decided, inter alia, that:

"The basic objective of the review should be not a survey of detailed management procedures and operating efficiency, but on the contrary, a broad forward-looking evaluation of the structure and of the employment of resources which the Organization will require in order to meet the growing demands upon its programme and staff foreseen in the critical period ahead."

The Conference adopted Resolution 11/65 directing the Council to arrange for such a review to be conducted under the guidance of the Director-General in consultation with an Ad Hoc Review Committee along the following lines:

"1. The Review should concentrate on a broad study of the organization and top structure of FAO and become involved in the lower structure only to the extent necessary to resolve issues that might develop.

"2. Members of the Ad Hoc Review Committee should be selected by the Council with due regard to geographic factors and to that end it should consist of one Member Government's representative from each of the seven FAO regions. In order to ensure that the Ad Hoc Review Committee is made up of highly competent individuals with deep interest in and substantial acquaintance with FAO, it should consist of individuals who normally serve as senior members of delegations to the Council."

^{14/} Ibid., paras. 84 and 85.

The Advisory Committee was subsequently informed that the costs of conducting the review have been estimated at \$125,000 and that the 47th session of the Council (October 1966) approved the withdrawal of that amount from the Working Capital Fund to finance the costs of conducting the review. The Committee observed that the Ad Hoc Review Committee would be comprised of representatives of Member Governments and expected that most of the expenditure involved would fall on the Governments concerned.

C. United Nations Educational, Scientific
and Cultural Organization

	<u>1966</u> <u>Appropriations</u>	<u>1967</u> <u>Estimates</u>
	\$	\$
Personnel services	12,096,765	15,012,411
General services	5,615,269	7,409,915
Special projects and activities	7,248,908	8,301,539
Other budgetary provisions	-	-
Total (gross)	24,960,942 ^{a/}	30,723,865
Less: Casual revenue	1,150,000	1,250,000
Total (net)	<u>23,810,942</u>	<u>29,473,865</u>

^{a/} Original appropriation, i.e., not including advances from the Working Capital Fund (\$1,390,000 for the period 1965-1966) and donations authorized by the Executive Board (\$772,952 for the period 1965-1966) to be appropriated into the budget.

84. The Advisory Committee had an opportunity to discuss the 1967-68 budget of UNESCO and related matters with one of the Assistant Directors-General of that organization.

Summary analysis of the budget

85. Although the above table shows figures for 1967, the budget should be considered in biennial terms since it has been drawn up for the full two-year period 1967-1968. Compared with the approved estimates of \$48,857,000 for 1965-1966, the 1967-1968 expenditure estimates of \$62,950,000^{15/} show an increase

^{15/} In the light of latest statistical information on price levels and staff costs this figure has subsequently been reduced to \$61,506,140, without in any way affecting the programme (see paragraph 88).

of \$14,093,000 or almost 29 per cent. However, on the basis of the recosted figures for 1965-1966, amounting to \$56,229,800 the increase for the 1967-1968 biennium totals \$6,720,200, or approximately 12 per cent, broken down over the various parts of the regular budget as follows:

<u>Part of budget</u>		<u>1965-1966</u>		<u>1967-1968</u>	<u>Increase</u>	<u>Per</u>
		<u>Approved</u>	<u>Recosted</u>			<u>cent</u>
(US dollars)						
Part I	General policy	1,983,772	2,348,860	2,563,660	214,800	9.1
Part II	Programme operations and services	34,961,977	40,247,604	43,421,140	3,173,536	7.9
Part III	General administration	6,155,838	7,378,961	7,840,000	461,039	6.2
Part IV	Common services	<u>4,204,152</u>	<u>4,703,114</u>	<u>5,073,939</u>	<u>370,825</u>	<u>7.9</u>
	Sub-total	47,305,739	54,678,539	58,898,739	4,220,200	7.7
Part V	Capital equipment and capital reimbursement	<u>1,551,261</u>	<u>1,551,261</u>	<u>4,051,261</u>	<u>2,500,000</u>	<u>N.A.</u>
	Total	<u>48,857,000</u>	<u>56,229,800</u>	<u>62,950,000</u>	<u>6,720,200</u>	<u>12.</u>

86. As regards the recosted figures for 1965-1966, UNESCO informed the Advisory Committee that in 1964 the Executive Board and the General Conference expressed their concern at the frequent changes in the estimates submitted to Member States. It was considered necessary, therefore, to establish a new basis for the calculation of the budget estimates. Heretofore, the basis represented the level of prices and staff salaries and allowances obtaining at the time of preparation of the draft programme and budget, i.e., about one year prior to the financial period to which they related. To remedy this unsatisfactory situation it was decided that henceforth the budget estimates should be based on the estimated levels of prices and staff salaries at the beginning of the budgetary period, i.e., at 1 January 1967, in the present case, instead of at 1 January 1966. The estimates for 1967, therefore are higher than they would have been had they been calculated under the old system. It was explained that although the 1967 estimate is that much sounder inasmuch as it does not have any "built-in" deficit, the budget is not yet on an entirely sound basis, since it does not provide for any increases in prices, salaries, wages and allowances which may occur during the 1967-1968 biennium.

87. As the initial step in the process it was necessary to recast in January 1966 the approved budget for the 1965-1966 biennium in order to determine the base for the 1967-1968 estimates. To accomplish this, UNESCO used a statistical projection, assuming a continuation until the end of 1966 of the statistical trends recorded over the last three years. This projection indicated that a sum of \$7,372,800 would first have to be added to the approved budget of \$48,857,000 for 1965-1966. UNESCO's Executive Board accepted the provisional estimate of \$7,372,800 as the sum to be added to the approved budget for 1965-1966, it being understood that all budget estimates would be revised in relation to the evolution of relevant factors during 1966. Accordingly the recosted gross budget of \$56,229,800 for the 1965-1966 biennium has been taken as the basis for the 1967-1968 budget estimates which amount to \$62,950,000, reflecting an increase of \$6,720,000.

88. In response to further inquiries, the Advisory Committee received additional detailed information of the method employed by UNESCO in the recosting and projection of the estimates. The Committee noted that such statistical projections, which contain an element of judgement, are susceptible of adjustment in either direction in the light of subsequent developments and that it was necessary therefore to maintain continuous review of the estimates, and to make appropriate changes prior to their submission to the legislative bodies. In this connexion it was pointed out to the Committee that a survey conducted subsequent to the issuance of the 1967-1968 budget estimates, revealed that the local wage index for general service staff had not increased to the degree projected in the estimates. UNESCO advises that this and other revisions on the basis of revised cost factors have resulted in a downward adjustment of some \$1,443,860 in the present estimates for the biennium and that the budget estimates for the draft programme and budget amount to \$61,506,140 instead of \$62,950,000. The Committee is interested in this new concept of budget preparation for 1967-1968, and also in UNESCO's intention to examine the possibility of full budgeting for the 1969-1970 biennium, and will follow developments closely.

Programme operations and services

89. The Advisory Committee was informed that for 1967-1968, departments responsible for implementing the programmes are grouped in four main sectors: education, natural sciences, social sciences, human sciences and culture, and communications.

The main priorities established at the General Conferences in 1960 and 1964 to education and to natural sciences and their application to development apply also to the programme proposed for 1967-1968.

90. UNESCO's operational activities in the area of natural sciences are expanding, particularly through its participation in UNDP. In this regard the organization has taken account of the institutional obligation stemming from UNIDO which, UNESCO considers, should take over some of the tasks linked with industrialization previously handled by that organization in the absence of an agency specially qualified to meet the increasing needs of Member States.

91. A major reorganization is planned in the sector related to activities concerning dissemination of knowledge and international flow of ideas through modern media of communication. The proposed structure will regroup into two departments and four offices, as follows:

- (a) Department of mass communication;
- (b) Department of documentation;
- (c) Office of free-flow of information and international exchanges;
- (d) Office of public information and promotion of international understanding;
- (e) Office of training abroad and fellowship administration;
- (f) Office of statistics.

The new department of documentation will be responsible for collecting and publishing information on libraries, documentation, archives and bibliographical services throughout the world and to study ways and means of improving and developing these services.

92. In this connexion, the Advisory Committee would refer to a decision taken by the Consultative Committee on Public Information (CCPI) at its thirty-fourth session, held in Geneva from 28 March to 1 April 1966, subsequently endorsed by ACC, to the Economic and Social Council at its forty-first session, recommending the formation of an inter-agency study group for the purpose of reassessing the whole of the information activities of the United Nations and its family of agencies. The Advisory Committee has expressed interest in this study,^{16/} which is to be submitted to CCPI and ACC early in 1967, and hopes that UNESCO will take into consideration the report of the study group in implementing the reorganization of the communications sector of its programmes.

^{16/} See Official Records of the General Assembly, Twenty-first Session, Supplement No. 7 (A/6307), para. 106.

Headquarters accommodation

93. In its report on the 1966 budget estimates of UNESCO, the Advisory Committee noted that negotiations had been instituted with the French Government for the construction of a fifth building, scheduled for completion by 1968, at an estimated cost of between \$6 million and \$8.5 million.^{17/} The Committee was informed that UNESCO hoped that the fifth building would provide the organization with adequate conference and office accommodation beyond 1972. Subsequently the thirteenth session of UNESCO's General Conference approved the financial arrangements for the fifth building, involving a loan of \$8.7 million, to be amortized over an eight-year period. The 1967-1968 budget estimates provide \$2.4 million as the first instalment in repayment of the loan to be financed over the next four financial periods. UNESCO had hoped to take possession of the land in June 1966, but the site cannot be made available until February 1967. It is estimated that construction will take two years and four months; therefore UNESCO hopes to move into the new building in the summer of 1969.

Working Capital Fund

94. It was reported to the Advisory Committee last year that UNESCO was considering increasing the level of the Working Capital Fund from \$3 million to \$5 million, to meet increasing cash needs of the organization. After reflection, the present proposal to the General Conference calls for an increase of only \$1 million or a revised total of \$4 million. The Committee questioned the need for the increase, in view of the new concept of budgeting to be implemented in 1967, which should obviate to a large extent the need for withdrawals from the Working Capital Fund. It was indicated that a larger increase might have been necessary had the new system of budgeting not been introduced. The Committee noted that in the past UNESCO had made withdrawals from the Fund, mainly to finance unforeseen expenses and meeting construction costs, etc., rather than for advances pending receipt of contributions from Member States. It was indicated to the Committee that without the increase of \$1 million, it might be necessary to resort to external financing not only for construction costs, but also for regular budget expenditures..

^{17/} Ibid., Twentieth Session, Annexes, agenda item 82, document A/6122, para. 97.

D. International Civil Aviation Organization

	<u>1966</u> <u>Appropriations</u>	<u>1967</u> <u>Estimates</u>
	\$	\$
Personnel services	5,632,149	5,786,396
General services	1,279,131	1,284,455
Special projects and activities	645,000	45,000
Other budgetary provisions	<u>9,370</u>	<u>9,370</u>
Total (gross)	7,565,650	7,125,221
<u>Less:</u> Casual revenue	<u>1,517,650</u>	<u>1,566,221</u>
Total (net)	<u>6,048,000</u>	<u>5,559,000</u>

95. The Advisory Committee discussed the 1967 budget of ICAO and related matters with the Secretary-General. The budget estimates for 1967 cover requirements for the second year of the three-year period 1966-1968. The budget estimates for the entire period are based on the work programme and the schedule of meetings approved by the Council of ICAO early in 1965.

96. The Assembly of ICAO at its fifteenth session, held in Montreal during July 1965, approved a budget in the amount of \$7,125,221 to be financed by assessments on Contracting States (\$5,559,000) and by miscellaneous income (\$1,566,221). The expenditure estimates for 1967 represent a reduction of some \$440,000 compared with the appropriations for 1966, due to the non-recurring special provision of \$600,000 in 1966 for the organization's share in the cost of new premises for the European Regional Office in Paris. The appropriations for 1967 therefore represent an increase of some \$160,000 over 1966 of which more than \$154,000 is attributable to personnel services. Of this amount, \$81,000 is required for salary increments, \$39,000 for temporary assistance relating to meetings and \$34,000 for new posts.

97. In addition, the Council of ICAO was authorized to make, if required, supplementary appropriations up to a maximum of \$138,000 for the financial year 1967, for the specific purpose of financing contingent expenditures to adjust the salaries of general service category personnel at ICAO's headquarters and related pension fund contributions (\$99,000) and to place Montreal in a higher category of post adjustment classification scale (\$39,000).

98. The Advisory Committee was informed that the 1966 establishment comprises 557 posts, 208 of which are in the professional and higher categories, and 349 in the general service category, and that four new posts (three professional and one general service) would be added in 1967, for a total establishment of 561 posts (211 professional and 350 general service).

99. The Advisory Committee learned with interest that ICAO is exploring further possibilities to strengthen operations in the various regions. The European Regional Office now housed in a new building in Paris works closely with the European Civil Aviation Conference. In addition, offices have been established in Cairo, Dakar, Bangkok, Lima and Mexico.

100. ICAO acts as executing agency for projects financed by UNDP. The projects and the financial requirements, including the allocations made by the UNDP and the contributions from the participating Governments, are as follows:

	<u>UNDP allocation</u>	<u>Government counterpart contribution</u>	<u>Total</u>
	\$	\$	\$
Congo (Democratic Republic of) . . .	1,216,600	2,788,481	4,005,081
India	986,200	6,657,000	7,643,200
Lebanon	2,227,246	2,142,120	4,369,366
Mexico	827,175	1,256,519	2,083,694
Morocco	573,267	1,174,500	1,747,767
Nigeria	1,658,648	3,319,689	4,978,337
Thailand	1,584,496	1,656,800	3,241,296
Tunisia	1,019,330	1,175,325	2,194,655
United Arab Republic	1,218,087	869,000	2,087,087
Total	<u>11,311,049</u>	<u>21,039,434</u>	<u>32,350,483</u>

E. Universal Postal Union

	<u>1966 revised appropriations</u>	<u>1967 estimates</u>
	(US dollars) ^{a/}	
Personnel services	836,921	875,440
General services	465,419	413,079
Special projects and activities	111,065	281,481
Other budgetary provisions . . .	-	-
Total (gross)	1,413,405	1,570,000
<u>Less:</u> Casual revenue	198,611	164,745
Total (net)	1,214,794	1,405,255

a/ Converted at the rate of \$US1.00 = Swiss francs 4.32.

101. The UPU budget estimates for 1967, prepared by the International Bureau and examined by the Executive Council in May 1966, will be submitted for approval by the Supervisory Authority in November 1966 in conformity with the ceiling established by the Universal Postal Congress in 1964.

102. The estimates for 1967, amounting to Swiss francs 6,782,400 (\$1,570,000), represent an increase of Swiss francs 676,490 (\$156,595) or 11 per cent as compared with the revised budget for 1966. The increase of some \$38,500 for personnel services is mainly due to the increase in the number of authorized posts for the International Bureau from seventy-five to seventy-nine. The substantial increase of some \$170,400 for special projects and activities is attributable to the reissue of the nomenclature internationale des bureaux de poste and the strengthening of the decentralized vocational training programme designed to help national postal administrations. The reduction of some \$52,300 for general services is mainly attributable to the fact that the Management Council of the Consultative Committee for postal studies will meet in closer proximity to UPU Headquarters in 1967, and additionally that as the printing of the annotated acts of the 1964 Universal Postal Congress was completed in 1966 no additional funds for this purpose are required for 1967.

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103. In its sixteenth report to the General Assembly at its twentieth session the Advisory Committee referred to the special annex providing for expenses relating to the costs of supplying documents of the Union in languages other than French.^{18/} The Committee noted that during its May 1966 session the Executive Council approved the organizational structure and the operational methods of translation services in languages other than French, the official language of UPU. These expenses reimbursed in full by the Member States concerned, are shown in an extra-budgetary account annexed to the budget. Arrangements for translating the Union's documents into English and Arabic have been made for 1966 and 1967. The estimated extra-budgetary expenses for these translation services amount to Swiss francs 561,300 (\$129,930) and Swiss francs 768,200 (\$177,824) for 1966 and 1967 respectively.

104. The Advisory Committee observed that in 1962 the present building of the International Bureau in Berne, Switzerland, proved inadequate to accommodate the staff and that UPU resorted to rental of outside premises on a continuing basis to alleviate the situation. The Committee notes that the Executive Council is considering the possible construction of a new administrative building.

F. World Health Organization

	<u>1966</u> <u>Appropriations</u>	<u>1967</u> <u>Estimates</u>
	\$	
Personnel services	34,462,441	37,984,217
General services	8,581,385	11,834,407
Special projects and activities	6,315,549	7,392,339
Other budgetary provisions	850,000	500,000
Total	50,209,375	57,710,963
<u>Less:</u> Staff assessment	5,727,575	6,195,963
Total effective working budget . . .	44,481,800	51,515,000

105. The Advisory Committee had an opportunity to discuss the 1967 budget of WHO and related matters with an Assistant Director-General of that organization.

^{18/} Ibid., para. 113.

106. The effective working budget for 1967 was established by the Nineteenth World Health Assembly in the amount of \$51,515,000, an increase of \$7,033,200 or 15.81 per cent over the corresponding level approved for 1966. Including an undistributed reserve of \$3,202,890 (equalling the assessments on inactive members and China), the total amount appropriated by the Nineteenth World Health Assembly for the financial year 1967 is \$54,717,890, to be financed by contributions from Member States after deduction of \$1,301,560 available by reimbursement from the technical assistance component of UNDP, \$23,640 representing assessments on new members for previous years, and \$100,000 available by transfer from the Assembly Suspense Account.

Summary analysis of the 1967 budget

107. Of the total gross increase of \$7,383,200 in the budget for 1967 over the approved level for 1966, \$7,061,647 or some 95 per cent is for the operating programme (part II of the budget) as follows:

(a) Programme activities: Increase of \$6,714,081 comprising: \$1,673,288 for Headquarters (provision for sixty-two new posts plus five posts transferred from the Special Account for Medical Research, increase in general service salary scales, increases in salary scales of professional staff, salary increments, consultants, temporary staff, duty travel, other meetings costs, common services, smallpox eradication programme and other statutory staff costs). The balance of the increase for programme activities, including the first year costs of the smallpox eradication programme, amounts to \$5,040,793, of which \$4,608,796 is for field projects; \$362,898 for regional advisers or health officers, and \$69,099 for WHO representatives.

(b) Regional offices: Of the total increase of \$346,666, \$169,952 covers five new posts, plus statutory staff costs and increased salary scales; \$142,962 for common services; and \$33,752 for temporary staff, custodial staff, duty travel and public information visual material.

(c) Expert committees: The net increase of \$900, results from increased printing costs amounting to \$11,000, partly offset by a reduction of \$10,100 in the cost of meetings.

(d) Other budgetary increases and decreases: The total increase of \$284,753 under part III, results from additional requirements for statutory staff costs amounting to \$159,051; an increase of \$30,700 in the general service salary scale, provision for four new posts \$26,161; common services totalling \$56,641; and duty travel, consultants and temporary staff in the amount of \$12,200. The decrease of \$350,000 under part V, other purposes results from the fact that no provision is required in the 1967 budget for costs of additional housing for staff in the regional office for Africa, amounting to \$250,000 in 1966, and credits to the revolving fund for teaching and laboratory equipment, which totalled \$100,000 in 1966.

Established posts

108. The 1967 budget provides for a net increase of 140 posts over the 1966 establishment; seventy-four for Headquarters, five for regional offices and sixty-one for field activities.

109. The following table shows the distribution of posts between Headquarters, regional offices and field activities for the years 1963-1967:

	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Headquarters	762	804	941	979	1,053
Regional offices . . .	449	460	481	499	504
Field activities . . .	937	978	1,062	1,133	1,194
	<u>2,148</u>	<u>2,242</u>	<u>2,484</u>	<u>2,611</u>	<u>2,751</u>

The number of posts shown above for 1965-1967 includes twenty-nine posts for smallpox eradication which are shown under the Special Account for Smallpox Eradication.

110. The Advisory Committee noted that thirty-nine of the additional posts for 1967 related to staff required for the new Division of Research in Epidemiology and Communications Science. In reply to its question if recruitment of such specialized staff presented problems, the Committee was informed that although at first glance the skills required for these posts might appear to be a scarce commodity, only five of the thirty-nine posts were at a level where WHO might encounter recruitment difficulties. The other posts required skills, including computer technology, which

the organization expected to be able to obtain, although admittedly they were in short supply. The fact that the World Health Assembly approved the budget in May 1966, gave a helpful "lead-in" time of some seven to eight months and recruitment was already under way to fill some of the posts early in 1967. In accordance with the usual practice of WHO, the estimated costs for 1967 are based on the new posts being filled on an average of eight months.

111. In observing that the turnover factor of 7.5 per cent seemed rather low, the Advisory Committee was told that the figures used for delays in recruitment and turnover of staff had been developed on the basis of experience, taking into account the specialized nature of the new posts proposed, and were therefore considered realistic.

Programme emphasis and expansion

112. At its eighteenth session in 1965, the World Health Assembly decided to establish as a new objective the eradication of smallpox on the basis of a ten-year programme beginning in 1967. Initial plans called for the financing of the programme from voluntary contributions, but in 1966 it became apparent that the programme as envisaged could not be financed from such funds. The nineteenth session of the Assembly decided that provision for financing the smallpox eradication programme in 1967 and in the future should be included in the regular budget of the Organization. Additionally, the 1967 budget provides for a new Division of Research in Epidemiology and Communications Science, considered essential to enable the WHO to maintain the required technical competence to carry out its assigned tasks.

Voluntary accounts

113. Implementation of the programmes under the Voluntary Fund for Health Promotion is limited by the extent to which funds actually become available. The following table shows the estimated costs of the programmes planned:

- (a) From funds made available for 1965, 1966 and 1967, and
- (b) those which can be implemented only to the extent that additional voluntary funds are forthcoming:

	<u>1965</u>		<u>1966</u>		<u>1967</u>	
			(US dollars)			
	(a)	(b)	(a)	(b)	(a)	(b)
Medical research	873,188	-	832,320	1,239,564	192,500	2,118,656
Community water supply .	76,488	-	165,334	406,973	-	661,300
Malaria eradication . .	903,543	-	2,081,916	-	874,903	1,551,578
Leprosy programme . . .	8,254	-	29,486	1,246,462	-	1,517,283
Yaws programme	-	-	12,581	385,329	-	627,776
Smallpox eradication . .	32,348	-	-	-	a/	-
Other special accounts .	171,493	-	-	-	-	-
	2,065,314	-	3,121,637	3,278,328	1,067,403	6,476,593

a/ The Nineteenth World Health Assembly decided that the smallpox eradication programme should be financed from the regular budget of WHO.

114. In examining these programmes, the Nineteenth World Health Assembly reiterated its hope that more contributions would be made to the Voluntary Fund for Health Promotion, and invited the Director-General to take such further action as would contribute to the effective implementation of the programmes.

Headquarters accommodation

115. The new WHO headquarters building was inaugurated on 7 May 1966, during the Nineteenth World Health Assembly. The Advisory Committee inquired if the new building was considered adequate in terms of WHO's total accommodation needs for a number of years, and was told that WHO might be looking for additional space in the near future. The Committee was also informed that it had been necessary to eliminate one floor of the new building in order to remain within the approved cost estimates. In any event it would not be possible to add additional floors to the existing structure as local ordinances limited the height of buildings in that particular area. The Advisory Committee understands that it may not have been possible in the early planning stages to assess more accurately total accommodation requirements for a desirable period of say ten years, but it feels that a more realistic appraisal might have been made prior to actual construction which might

have obviated the need for rental of outside premises, and/or extension of the existing building in the near future, probably at greater cost to the organization.

Revolving Fund for Teaching and Laboratory Equipment for Medical Education and Training

116. The Advisory Committee expressed interest in the proposal for the establishment of the above revolving fund programme. It was informed that WHO believes such a fund will be of material assistance to member States, particularly those which have difficulty in obtaining convertible currencies for the purchase of such equipment. Under the plan, the organization would exchange the miscellaneous currencies received in the Fund for convertible currencies available in the regular budget, so long as WHO could make use of the currencies in its normal programmes. It would be necessary for the requesting countries to make provision in their approved budgets for the purchase of the needed equipment. It was noted that no one requesting country could use more than 10 per cent of the Revolving Fund, neither could a country have a second request accepted until the first local currency payments had been used by the agency. The nineteenth Health Assembly decided to make \$100,000 available in the supplementary estimates for 1966, and to include a similar provision in the regular budgets for the years 1968 to 1971, bringing the Fund to a total of \$500,000. The WHO Assembly intends to review the operations at a later date on the basis of experience and to decide whether further action should be taken.

117. As noted above, the Advisory Committee is interested in this unique plan, and realizes that one of the main advantages is the possibility of quick purchase of such equipment where recipient countries are unable to provide the required convertible currency. In theory however, ten requests could conceivably exhaust the Revolving Fund until such time as WHO could make use of the local currencies. Other aspects of the proposal will need clarification in the light of experience, and the Committee will follow developments and the use made of the Fund in 1966.

Miscellaneous income

118. In examining WHO's 1967 budget, the Committee noted that no miscellaneous income was being used towards financing the budget in that year. The representative of WHO explained that WHO does not budget for the use of miscellaneous income prior to its

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receipt. Such income, which is derived in the main from interest on investments, liquidation of obligations, income from the Swiss Postal authorities, etc., cannot be accurately forecast. In the past WHO has used casual income to finance supplementary estimates in order to avoid additional assessments on member Governments, but in the future, due to a decision of the Health Assembly, the organization may find it necessary to have recourse to the Working Capital Fund for that purpose, with casual income being used to finance the annual budget or to increase the Working Capital Fund.

G. International Telecommunication Union

	<u>1966</u> <u>Revised</u> <u>appropriations</u>	<u>1967</u> <u>Estimates</u>
	<u>US dollars^{a/}</u>	
Personal services	4,490,475	4,242,084
General services.	1,199,699	1,146,319
Special projects and activities	655,346	449,491
Other budgetary provisions.	<u>5,325</u>	<u>8,102</u>
Total (gross)	6,350,845	5,845,996
<u>Less:</u> Casual revenue	<u>965,660</u>	<u>903,149</u>
Total (net)	<u>5,385,185</u>	<u>4,942,847</u>

a/ Converted at the rate of \$US1.00 = Swiss francs 4.32

119. The Advisory Committee commented, in its eighth report to the General Assembly at its fourteenth session,^{19/} on the complexity of the structure and organization of ITU which is composed of a Plenipotentiary Conference, an Administrative Conference, an Administrative Council, the General Secretariat, the International Frequency Registration Board and its secretariat, the International Radio Consultative Committee and its secretariat and the International Telegraph and Telephone Consultative Committee and its secretariat. The estimates at present submitted in the form of a consolidated budget reflect the complexity of the structure. The Secretary-General prepares the budget estimates on the basis of proposals made by the Heads of the various organs and after examination by a co-ordination committee, submits them to the Administrative Council for its consideration and decision.

120. At its twenty-first session in May-June 1966, the Administrative Council gave final approval to the 1966 expenditure budget of \$6,350,845 comprising \$5,397,997 for the ordinary expenses of the Union, \$416,019 for the Special Account for Technical Co-operation and \$536,829 for the supplementary publications budget.

19/ Ibid., Fourteenth Session, Annexes, agenda item 49, document A/4148.

121. The Administrative Council at the same session approved the 1967 expenditure budget of \$5,845,996 covering the expenses of the Union (\$4,946,667) the provision for the Special Account for Technical Co-operation (\$449,838) and the requirements for the supplementary publications budget (\$449,491).

122. The 1967 estimates show a reduction of \$504,849 as compared with the 1966 revised appropriations. Some \$300,000 of the reduction results from reduced temporary staff requirements for conferences in 1967, offset in part by the increase in the establishment of 16 new posts plus the regular annual increments in salaries and wages (\$52,000). The Administrative Council has approved a manning table of 422 permanent posts for 1967 (406 in 1966) of which 379 (against 367 in 1966) are paid from the Union's budget and 43 (39 in 1966) from the Special Account for Technical Co-operation.

123. The reduction of some \$53,000 for general services results from a lighter schedule of conferences and meetings and variations in requirements for home leave travel in 1967. The decrease of some \$205,900 for special projects and activities is attributable to the non-recurring provision in 1966 for the African Broadcasting Conference (\$118,500) and reduced requirements for the supplementary publications budget (\$87,400).

124. The Advisory Committee noted that the Plenipotentiary Conference during its 1965 session considered that the existing office and conference facilities were inadequate and instructed the Secretary-General to submit to the Administrative Council not later than 1967, a study with financial implications of alternatives for accommodating staff at the Headquarters building and providing premises for meetings.

125. The Committee wishes to draw attention to the rather unique contributions scheme as approved in resolution No. 11 of the Plenipotentiary Conference of 1965. The Union's expenses are met by contributions from members and associate members, each choosing their own class of contribution, which is based on a certain number of contributory units. Under these arrangements, members or associate members can reduce their class of contribution but not while the International Telecommunication Convention is in force. The criteria adopted for determining contributions are therefore completely different from those employed by the United Nations and almost all of the specialized agencies.

H. World Meteorological Organization

	<u>1966</u> <u>Revised</u> <u>appropriations</u>	<u>1967</u> <u>Estimates</u>
	(US dollars)	
Personnel services	1,302,350	1,382,649
General services	428,380	330,604
Special projects and activities.	743,685	854,928
Other budgetary provisions	10,250	9,000
Total (gross).	2,484,655	2,577,181
<u>Less: Revenue</u>	186,020 ^{a/}	145,721 ^{b/}
Total (net).	<u>2,298,645</u>	<u>2,431,460</u>

a/ Includes an estimate of \$183,520 for staff assessment and \$2,500 for casual revenue.

b/ Includes an estimate of \$143,221 for staff assessment and \$2,500 for casual revenue.

126. The Advisory Committee had an opportunity to discuss the budget estimates of WMO for 1967 and related matters with the Deputy Secretary-General of that organization.

127. The estimates for 1967, the last financial year of the fourth financial period (1964-1967) were adopted by the Executive Committee at its eighteenth session (Geneva, 26 May-10 June 1966).

128. It will be noted that for the first time the estimates are presented on a "gross" basis including provision for staff assessment. The adoption of a staff assessment plan requires an amendment to the Regulations, which can only be effected by the Congress of WMO. At its seventeenth session (1965) the Executive Committee adopted the staff assessment scheme "provisionally", subject to final approval by the Fifth Congress of the organization at its next session in April 1967. The figures for 1966 are shown on a gross basis in order to facilitate comparative analysis.

Summary analysis of the 1967 budget

129. In view of the fact that 1967 is the last year of the fourth financial period, the total amount of credits as well as the amounts appropriated in each part are limited by the decisions of Congress. Transfers between parts may be authorized by the Executive Committee subject to the proviso that the total amount of such transfers not exceed 1 per cent of the total maximum expenditure authorized for the financial period.

130. The total increase (net) for 1967 over 1966 amounts to some \$133,000 - 5.8 per cent - of which some \$89,000 is attributable to activities financed from the new Development Fund. Increases in the appropriation for meetings of almost \$46,000 due to the requirements in regard to the Fifth Congress which will be held in 1967 and some \$37,000 for personnel services (salaries and allowances) are partly offset by reductions in general services (\$22,000) and supplementary programmes (\$16,000).

Other matters

131. Although the fourth Congress established as from 1 January 1964 a post of Regional Representative for Africa, the official concerned is still being stationed at Headquarters. The Advisory Committee was informed that the next Congress may consider this matter as well as the establishment of posts of Regional Representatives to Asia and Latin America.

132. Tentative plans for the next financial period (1968-1971) have been prepared by the Secretary-General for submission to the Fifth Congress in 1967. These plans call for the implementation of the first phase (1968-1971) of the World Weather Watch, a world-wide plan to ensure availability to all countries of meteorological processed information and observations including satellite data best suited to meet their needs. The costs for implementing this scheme will largely be met from national resources. The implementation will have a substantial impact on the activities of the organization and consequently on its budget for the period 1968-1971. Budgetary requirements anticipated for that period may amount to a total of \$12 million (as compared with approximately \$7 million for the present financial period 1963-1967). The consequential staff increase envisaged will be from 131 for 1967 to an average of 220 for the period 1968-1971.

133. The Committee was also informed that the present building is inadequate and that additional office space is being rented. An architectural study is being undertaken in order to determine the feasibility of adding a new wing to the existing building.

I. Inter-Governmental Maritime Consultative Organization

	<u>1966</u> <u>Appropriations</u>	<u>1967</u> <u>Appropriations</u>
Personnel services	636,425	574,715
General Services	287,301	246,051
Special projects and activities.	-	-
Other budgetary provisions	-	-
Total (gross)	<u>923,726</u>	<u>820,766</u>
<u>Less:</u> Casual revenue.	<u>1,400</u>	<u>2,700</u>
Total (net)	<u><u>922,326</u></u>	<u><u>818,066</u></u>

134. IMCO is a technical agency, with mainly a consultative role in technical shipping matters. The budget has been prepared on the basis of costs of services and objects of expenditure rather than a programme basis. One of the largest items in the budget relates to costs of meetings of experts and working groups (from 25 to 33 per cent of the total budget).

135. The regular budget of IMCO is appropriated for a financial period of two consecutive calendar years and covers expenditures estimated for each of the calendar years.

136. The estimates for 1967 (\$820,766) were approved by Assembly resolution A.101 (IV) of 24 September 1965, which authorized a maximum expenditure of \$1,744,492 for the fourth financial period (1966-1967).

137. The reduction of approximately \$100,000 in the estimates for 1967 as compared with those for 1966 is due to the provision in 1966 for the International Conference on Load Lines scheduled for five weeks, requiring substantial amounts for the rental of conference facilities and the hiring of interpreters, translators and clerks on a temporary basis.

138. A printing revolving fund was established as of 1 January 1966, for the production and sale of publications of the organization. Accordingly, revenue accruing from sales will revert to the fund and will not be credited as miscellaneous income.

J. International Atomic Energy Agency

	<u>1966</u> <u>Appropriations</u> \$	<u>1967</u> <u>Appropriations</u> \$
Personnel services	5,632,500	6,199,500
General services	791,500	795,000
Special projects and activities	2,320,000	2,497,000
Other budgetary provisions	-	-
	<hr/>	<hr/>
Total (gross)	8,744,000	9,491,500
<u>Less:</u> Casual revenue	317,500	317,500
	<hr/>	<hr/>
Total (net)	8,426,500	9,174,000
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139. The Advisory Committee had an opportunity to discuss the 1967 budget estimates and related matters with a representative of the Director-General. The estimates cover the financial requirements for the first year of the biennium 1967-1968.

140. The General Conference at its tenth session at Vienna (21-28 September 1966) approved the budget estimates for 1967 and the proposed programme of work for the biennium 1967-1968. The Advisory Committee noted that tentative estimates for the second year have been included in the Agency's budget document.

Implementation of the two-year programme will require an estimated \$20 million, of which almost \$9.5 million will be needed for 1967 and some \$10.5 million in 1968. It is the understanding of the Committee that an attempt will be made to give a more detailed justification for total estimated requirements for the next biennium.

141. In addition to the figures shown above which relate to the regular budget financed from assessment on Member States, IAEA has an operational budget financed

from voluntary contributions. The Statute of the Agency defines which activities are to be financed from the regular budget, described as administrative costs, and those which cannot be funded therefrom.^{20/}

142. The Advisory Committee noted the important change in the budgetary arrangements for 1967 concerning the research contracts programme. Commencing with 1967 all research contracts will be financed exclusively from the regular budget, including those contracts formerly charged to the operational budget.

Summary analysis of the 1967 budget

(a) Regular budget

143. Expenditures under the regular budget, totalling \$9,491,500 show an increase of \$747,500 or approximately 8.5 per cent over 1966. Taking into account the transfer of research contracts from the operational budget (\$128,000) and additional costs due to increases in salaries and wages, the net increase in programme activities amounts to \$126,000 or approximately 1.4 per cent.

144. During the course of its examination the Advisory Committee ascertained that the budget estimates for 1967 were based on price and cost levels as at 1 January 1966, the approximate time of the preparation of the budget. Changes in staff emoluments, post adjustments, etc., subsequent to the date of submission of the estimates, have created practical budgetary problems. In this connexion, the recent increase in the base salary scales of professional and higher categories and increases in the scales for the local staff, resulted in additional requirements not provided for in the regular budget for 1966. Almost half of the amount has been provided from savings while approximately \$275,000 will be financed by withdrawals from the Working Capital Fund. This latter sum will be repaid by assessments in 1968.

145. The structure and the presentation of the 1967 budget have changed slightly from that of previous years. Reference was made in paragraph J-4 to the financing of the research contracts programme from the regular budget only. The second change relates to the abolition of the Publications Revolving Fund; the reserve of \$50,000 that would otherwise remain in the Fund on 1 January 1967 has been used to reduce the estimates for 1967.

^{20/} Ibid., Twentieth Session, Annexes, agenda item 82, document A/6122, paras. 147 and 148.

(b) Operational budget

146. The proposed allocations under the operational budget amount to \$2,408,000 (against \$2,478,000 for 1966). The Agency plans to finance this budget through voluntary contributions (target at \$2 million), a special contribution of \$278,000 from the Italian Government towards the International Centre for Theoretical Physics, \$45,000 from the Monaco Government for the laboratory in Monaco, and miscellaneous income of \$85,000. In previous years' reports the Committee noted short-falls in voluntary contributions. As of 30 June 1966 pledges amounted to only 58 per cent of the target of \$2 million for 1966.^{21/} The Committee was informed however that at the 1966 General Conference thirteen additional Member States had pledged contributions and it was anticipated that receipts for 1967 would exceed those of 1963, which had been the most successful year.^{22/} Nevertheless, the gap between the target and the amount of contributions received will require adjustments in the programmes financed from the operational budget.

^{21/} By 30 September 1966 this figure had risen to approximately 63.3 per cent.

^{22/} 1963 pledges were \$1,396,578; at 30 September 1966 pledges for 1967 amounted to \$1,339,362, or 67.0 per cent.