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RELATIONS WITH AND CO-ORDINATION OF SPECIALIZED AGENCIES AND  
WORK PROGRAMMES OF THE UNITED NATIONS AND THE  
SPECIALIZED AGENCIES

ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE  
UNITED NATIONS AND THE SPECIALIZED AGENCIES

Report by the Secretary-General

1. In accordance with the terms of General Assembly resolution 125 (II), the Secretary-General prepared a report on administrative and budgetary co-ordination of the United Nations and the specialized agencies for submission to the Economic and Social Council and to the third regular session of the General Assembly (document A/599).
2. In reviewing the report at its seventh session, the Economic and Social Council suggested that the Secretary-General might usefully supplement the report to the General Assembly on the following points:
  - (a) Practices of agencies with regard to the presentation of their budget estimates on a project basis;
  - (b) Practical experience of the League of Nations and the International Labour Organisation in the presentation and approval of budgets; and
  - (c) Possible measures for timing the Council's review of agency programmes and the review of agency budgets by the Advisory Committee on Administrative and Budgetary Questions, so that the recommendations of the General Assembly on budgets might be related to the recommendations of the Economic and Social Council on programmes.
3. It has not been possible in the time available for the Secretary-General to undertake the research necessary to comply with the request in respect of point (b). On the other two points, however, the information given below may prove of value.

Budget estimates on a project basis

4. In view of the range of definitions of "project budgets" it is not possible to give a simple and clear classification of agencies using or not using projects as the basis for the presentation of their budget

estimates. It may be stated, however, that the United Nations Educational, Scientific and Cultural Organization has gone furthest budgeting by projects.

The form adopted by UNESCO on the instructions of the Conference held at Mexico City in 1947 as amended by the Executive Board divides the 1949 budget estimates of the organization into four major parts - General Policy, General Administration, Programme Operations and Common Service Costs. Part III shows the costs (except for the overhead factors in Parts I, II and IV) of broad programmes such as reconstruction, education, natural sciences, etc. and within this framework, the costs of specific projects.

5. The Food and Agriculture Organization has also prepared its budget estimates for 1949 along the same lines, preserving, however, to a somewhat greater degree, the more standard pattern of organization units. It may be noted from the summary available in Table B of document A/556/Add.1 that Chapter VI of the FAO budget estimates, entitled "Technical programme by divisions", shows the cost of the Nutrition Division, Rural Welfare Division, Fisheries Division, etc. Within each Division the estimated cost of each project to be undertaken is shown in the budget estimates.

6. The United Nations and the other specialized agencies prepare their budgets along the more traditional lines of organization units and objects of expenditure, although in each case certain major projects are identifiable in the main budget structure. The following are examples: the Advisory Social Welfare Services of the United Nations, the Joint Support Emergency Fund of the International Civil Aviation Organization, the Epidemiological Intelligence Station of the World Health Organization. There is also a notable effort to improve the budget justifications by describing the work done by each unit in terms of the projects approved by the conferences and governing bodies.

7. The Secretary-General has also provided in the Budget Estimates of the United Nations for 1949 a statistical information annex allocating the costs of the entire Organization to major programmes and projects, such as economic activities, social activities, information services, etc.

8. The technical sub-committee of the Administrative Committee on Co-ordination dealing with the form of United Nations and specialized agencies budgets has specifically set for itself the task of exploring the problems of project budgeting at its next meeting. In this connexion, however, the observations and recommendations of the Advisory Committee on Administrative and Budgetary Questions on this subject, now before the General Assembly (A/675, paragraphs 18 and 22) must be kept in mind. The Advisory Committee welcomes the progress made in ascertaining the costs

of particular projects as an aid to determining priorities, but does not believe that the United Nations or the specialized agencies should use such estimates as the main appropriation and accounting structure at this juncture.

Timing of the Economic and Social Council's review of specialized  
agencies programmes and the Advisory Committee's  
review of budgets

9. The importance of co-ordinated recommendations to the specialized agencies under Articles 63, 64 and 17, paragraph 3, of the Charter has been recognized both by the Economic and Social Council and the Advisory Committee on Administrative and Budgetary Questions. In order to achieve this co-ordination, several factors must be considered as prerequisite:

(1) In reviewing the activity and programme reports of the specialized agencies, the Economic and Social Council should be aware in general terms of the financial implications or scope of each of the major programmes;

(2) In reviewing the budgets or proposed budgets of the agencies, the Advisory Committee should be aware of the programmes to which the Council attaches first priority, of any overlapping or gaps in the activities of the agencies noted by the Council, and of any recommendations for co-ordinated action on particular projects;

(3) The timing of submission of agency reports to the Economic and Social Council and transmittal of budgets to the Secretary-General for review by the Advisory Committee on behalf of the General Assembly is an important procedural factor.

10. This procedural question is linked, of course, with the timing of the annual conferences of the specialized agencies and the schedule of the Economic and Social Council, the Advisory Committee on Administrative and Budgetary Questions and the General Assembly. Considerable attention has already been given to the problem by the Administrative Committee on Co-ordination and the legislative bodies concerned. The Advisory Committee has suggested that, in cases where it proves impossible to move the annual conference of the specialized agencies into the first six months of the year, consideration might be given to advancing the dates of meetings of governing bodies and finance committees which review the programmes and the estimates.

11. It is deemed essential that the activity and programme reports be available in time for analysis before the July session of the Economic and Social Council; and that the budgets or budget estimates be transmitted to

the Secretary-General not later than 10 July. This will permit the Advisory Committee to review the budgets shortly after the conclusion of the summer session of the Council and to make its findings available to Members a few weeks before the opening of the General Assembly.

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