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

Report of the Advisory Committee on Administrative and Budgetary Questions

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I. INTRODUCTION

1. General Assembly resolution 14 (I) of 13 February 1946 provides, inter alia, that one of the functions of the Advisory Committee on Administrative and Budgetary Questions is "to examine on behalf of the General Assembly the administrative budgets of specialized agencies and proposals for financial arrangements with such agencies". In pursuance of that requirement the Advisory Committee met in 1975 with the executive heads (or their senior representatives) of the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the World Health Organization (WHO), the International Telecommunication Union (ITU), the Inter-Governmental Maritime Consultative Organization (IMCO) and the World Intellectual Property Organization (WIPO); the Committee considered written submissions by the Universal Postal Union (UPU) and the World Meteorological Organization (WMO). The Advisory Committee has also met with a representative of the Director-General of the International Atomic Energy Agency (IAEA) pursuant to the provisions of article XVI, paragraph 3, of the relationship agreement between the Agency and the United Nations (INFCIRC/11). The review has not covered the budgets of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF), whose agreements with the United Nations do not provide for the transmittal of their budgets for examination by the General Assembly.

2. The Committee extends its thanks to the executive heads of the agencies who met with the Committee and those who sent their representatives to assist the Committee in its consideration of their respective budgets. Their presence helped the Committee to gain a better insight into the problems facing the agencies.

II. THE STATE OF ADMINISTRATIVE AND BUDGETARY CO-ORDINATION IN THE UNITED NATIONS SYSTEM

3. The Advisory Committee availed itself of the opportunity afforded by those meetings to discuss with the agencies how administrative and budgetary co-ordination in the United Nations system could be improved. Article 17, paragraph 3 of the Charter of the United Nations provides for the examination by the General Assembly of the administrative budgets of the specialized agencies with a view to making recommendations to the agencies concerned. With the introduction of programme budgeting by most of the agencies in the United Nations system, the dividing line between administrative and budgetary co-ordination on the one hand and programme co-ordination on the other - and hence between the respective co-ordinating roles of the General Assembly (and its Fifth Committee) and the Economic and Social Council - has become blurred. The report entitled "A new United Nations structure for global economic co-operation", submitted to the General Assembly at its seventh special session by the Group of Experts on the Structure of the United Nations System (E/AC.62/9), raised questions and made suggestions which, if accepted, may profoundly affect the future development of the United Nations and its associated agencies and programmes. The report is part of the documentation under consideration by the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System, established by the General Assembly at its seventh special session to prepare detailed action proposals (General Assembly resolution 3362 (S-VII), sect. VII).

4. In this new situation, the Advisory Committee asked itself whether its traditional annual reports on the budgets of the agencies continued to fill the needs of the Fifth Committee or whether they should be supplemented or replaced by reports on specific problems of administrative and budgetary co-ordination. The Committee recalled that, at the twenty-third, twenty-fourth, twenty-fifth and twenty-sixth sessions of the General Assembly, it had submitted special reports on general co-ordination questions, but that pressure of other business had prevented the Fifth Committee from devoting any more time to a discussion of administrative and budgetary co-ordination. In this connexion, there is need to bear in mind, however, that certain questions which used to be considered within the context of such co-ordination (for instance, aspects of the common system of salaries and allowances) are now discussed under other agenda items, and that other questions (such as the harmonization of scales of assessment) have been the subject of decisions which have already been - or are being - put into effect.

5. The Advisory Committee is also mindful of the fact that recent years have witnessed an expansion in the volume and complexity of formal and informal interagency consultations and co-ordination at the Secretariat level. While much useful work has been done in this context, formal intersecretariat co-ordination often fails to achieve optimum results because, in the search for a consensus, the best that can sometimes be achieved is a bland statement of intent reflecting the "lowest common denominator".

6. One factor that has clearly emerged from recent discussions at both the intergovernmental and the intersecretariat level is that while new techniques, such as planning and programme budgeting, are unquestionably very useful, their introduction does not in itself result in better co-ordination.

7. A key obstacle to the attainment of fuller co-ordination has been sectoral bias and preoccupation with day-to-day problems in the secretariats of the individual agencies and semi-autonomous organs, reinforced by the virtual absence of interagency transfers of staff and by geographic separation ("Geneva-oriented" staff, "New York-oriented" staff etc.). Similar attitudes exist among delegations and sometimes lead to the adoption of inconsistent decisions in different intergovernmental fora, largely through lack of familiarity with what is being done in other parts of the United Nations system.

8. In this context, it is noteworthy that the General Assembly in paragraph 1 of section VII of resolution 3362 (S-VII) invites all United Nations organs, including the regional commissions, as well as the specialized agencies and IAEA to participate at the executive level in the work of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System and to respond to requests that the Committee may make to them for information, data or views. If agency representatives were to participate actively in the deliberations of intergovernmental organs it might be possible to reduce the number of decisions that eventually lead to programme duplication or overlapping and thereby give rise to jurisdictional disputes.

9. Administrative and budgetary co-ordination is part and parcel of the entire programming and budgeting exercise. Co-ordination questions arise whenever Member States, in the General Assembly or a corresponding organ in one of the agencies, decide to establish a new organizational unit, expand an existing programme, determine conditions of service, or approve the erection of new premises. It follows, that co-ordination questions should be considered in the context of specific substantive items. Otherwise, a discussion of co-ordination in the abstract perforce becomes academic and leads to little action. This may explain in large part why the debate in the Fifth Committee on the agenda item administrative and budgetary co-ordination has tended to be brief.

10. A further reason why the discussion in the Fifth Committee of administrative and budgetary co-ordination has not been more action-oriented is that it normally takes place after the budgets of the agencies have been approved by the competent organs in the agencies themselves - thereby making it impossible for the General Assembly to make the recommendations referred to in Article 17, paragraph 3, of the Charter, except to the extent that such recommendations can be reflected in subsequent agency budgets.

11. In the Advisory Committee's opinion, it would be difficult - if not impossible - for the General Assembly to make recommendations on points of detail in the agency budgets. The General Assembly lacks the time for such an in-depth analysis, but, even if time were available, such an analysis would tend to duplicate discussions in the agencies concerned. By contrast, there exist administrative and budgetary issues of broader applicability - e.g. question of methodology - which are now tackled piecemeal by the agencies, and in respect of which central guidance by the General Assembly is desirable in the interest of the system as a whole.

12. The Advisory Committee believes that it can best discharge its responsibilities in the area of administrative and budgetary co-ordination if it tries to identify such issues of broader applicability and bring them to the attention of the General Assembly, together with appropriate recommendations. While the Committee would continue to provide the Assembly with factual information on the budgets of the agencies of the type to be found in sections III and IV below, the degree of detail could be reduced. Moreover, with the adoption of biennial budgeting by many organizations, it may be possible to dispense with annual reporting to the Assembly on the budgets of the agencies.

13. The task of identifying problem areas cannot be carried out unilaterally. It calls for an exchange of views involving all the members of the United Nations system. Accordingly, the Advisory Committee invited the representatives of the specialized agencies to share their views with the Committee. While not all the representatives responded to the invitation, those who did gave the Committee a better insight into some of the problem areas of interagency co-ordination. In several cases the issues involved relate primarily to a division of responsibility for programme areas, and are thus within the competence of the Economic and Social Council rather than the Fifth Committee. Others, however, fall within the field of administrative and budgetary co-ordination. In the following paragraphs, the Advisory Committee gives a partial listing of such questions.

14. Interaction between activities financed under the regular budgets and those financed from voluntary funds. The discussions in the Governing Council of UNDP on the rate of reimbursement of overhead costs clearly indicated that the regular budgets of most organizations have to make a contribution to the overhead costs of the technical co-operation programmes executed by the organizations concerned; for organizations with large technical co-operation programmes, the regular budget contribution may run into millions of dollars a year. Yet these expenditures are usually not identified in the programme budget documents of the organizations. Moreover, the executing agencies, at the time they have to prepare their programme budget estimates, often do not know the volume of UNDP-funded projects which they will be called upon to execute during the budget period. An improved flow of advance information from UNDP to the executing agencies will help the latter estimate their regular-budget requirements more accurately; but a standardization of the methodologies for forecasting the volume of voluntary-fund projects is also needed. A related problem is that delays in project delivery often significantly contribute to the volume of overhead costs which must be borne by the regular budgets of the executing agencies; as such delays are experienced by numerous executing agencies, there is need to pool information on steps taken by individual agencies to overcome existing difficulties.

15. In its report to the General Assembly last year (A/9857), the Advisory Committee drew attention to short-comings in the area of co-operation and co-ordination between UNEP and the specialized agencies in the United Nations system. Information provided to the Advisory Committee indicates that these short-comings have not all been overcome. The areas of concern include inadequate advance information on the plans and activities of UNEP (which hampers proper consultations with interested agencies), lacunae in consultations with IAEA in matters relating to nuclear energy, and problems connected with operational activities undertaken

directly by UNEP. At the same time, some progress seems to have been made in the area of co-operation and co-ordination. In particular, following consultation between UNDP and UNEP, it has been agreed that UNDP resident representatives would represent UNEP at the country level; the Advisory Committee welcomes this development.

16. Administrative and management improvements. The Committee believes that there is need for greater interagency exchange of information in this area. For instance, the Committee was informed that the ILO has carried out a successful campaign to rationalize and reduce the number of forms and to reduce the number of copies of old documents stored just in case they are needed. The Committee understands that the ILO has been in touch with the other Geneva-based organizations and offices with a view to standardizing the sizes and weights of paper used by them; if successful, this effort will result in economies because it will make bulk-purchasing possible. The establishment of common services may lead to substantial economies, but even when the resultant budgetary savings are not very large, they ought not to be overlooked. Efforts to improve interagency co-ordination in the field of electronic data processing and information systems must not be relaxed. The need for the dissemination of information on successful methods and organizational approaches is all the greater when they affect costly operations, such as construction projects which, if not properly supervised, often involve delays and cost overruns.

17. Personnel question. Despite the existence of a common United Nations system of salaries and allowances, there is evidence of continued differences of interpretation of the common system and of inadequate consultations in certain areas such as promotion policies. One agency informed the Advisory Committee that, in the interest of encouraging transfers between headquarters and the field, it was considering making promotions to posts graded P-5 and above contingent on prior service in both areas. The Committee is of the view that policies such as these call for prior interagency consultation. In this context, the Advisory Committee would also refer to the impact which job classification policies in one agency might have on grades in other agencies. In its first report to the General Assembly at its twenty-eighth session on the proposed programme budget for the biennium 1974-1975, 1/ the Advisory Committee drew attention to how the claims of new organizational units to a higher than usual proportion of senior posts gave an impetus to the grade creep phenomenon throughout the system. The lack of consistent criteria for the grading of posts clearly emerges from a comparison of the grade distribution of staff in the Professional and higher categories in the various agencies. Data collected by the Consultative Committee on Administrative Questions (CCAQ) for 31 December 1974 2/ show that, for the common system as a whole, staff in senior and supervisory posts (P-5 and above) account for 32.1 per cent of all Professional posts (22.7 per cent in grade P-5, 6.8 per cent in grade D-1, 1.8 per cent in grade D-2, and 0.8 per cent

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1/ Official Records of the General Assembly, Twenty-eighth Session, Supplement No. 8 (A/9008), para. 53.

2/ Ibid., Thirtieth Session, Supplement No. 8 (A/10008 and Corr.2), chap. III, part VIII.

in ungraded posts). That average, however, conceals wide variations (between 42.1 per cent and 27.7 per cent in the larger agencies) which, at first sight, cannot be explained in terms of the size or functions of individual organizations.

18. Budgetary questions. In its examination of the budgets of the specialized agencies, the Advisory Committee noted that individual agenices use different assumptions as to rates of exchange and future inflationary trends. The fact that the budget-approving bodies of the various agencies meet at different times may account for these inconsistencies.

19. In paragraph 12 above, the Advisory Committee said that, for practical reasons, the United Nations General Assembly cannot make recommendations to the agencies on the details of their budgets. On the other hand, the fact that the Assembly holds its sessions later in the year than the assemblies or general conferences of the specialized agencies enables it to have the most up-to-date information on which to base budgetary assumptions. In pursuance of its mandate under Article 17, paragraph 3, of the Charter, the General Assembly can, if it so desires, make recommendations to the agencies with regard to such assumptions. Similarly, the General Assembly may wish to make recommendations on aspects of budgetary methodologies (uniform ways of calculating growth; use of full budgeting or semi-full budgeting; methodologies for the apportionment of indirect costs; etc.).

20. The budgets of most of the jointly financed operations have hitherto not been scrutinized by any intergovernmental organ. In paragraph 22.38 of its first report on the proposed programme budget for the biennium 1976-1977 2/ the Advisory Committee suggested that the General Assembly review future budget estimates of the Inter-Organization Board for Information Systems (IOB). Such a review, which might be extended also to other jointly-financed activities, would be consistent with the provisions of Article 17, paragraph 3, of the Charter.

21. The Advisory Committee notes with interest that work is proceeding under the auspices of ACC with a view to harmonizing programme budget presentation in the United Nations system. The Committee trusts that the various agencies will take practical steps to that end without delay, particularly as regards the harmonization of programme narratives, and also of statistical and tabular material.

III. GENERAL BUDGETARY TRENDS

22. The regular budgets for 1975 of the United Nations, the 10 specialized agencies (the ILO, FAO, UNESCO, ICAO, UPU, WHO, ITU, WMO, IMCO and WIPO) and IAEA, as reported to the Advisory Committee (see table A), amount to $772.5 million. The related extrabudgetary funds in 1975, including those of the UNDP, UNICEF, UNRWA and the World Food Programme (WFP) are estimated at $1,256,436,000 (E/5673, table 1). Thus the total expenditures by all organizations in 1975, not counting peace-keeping operations financed outside the United Nations regular budget, will exceed $2,000 million. The comparative figures for 1973 are $572.5 million for the regular budgets and $803,690,000 for extrabudgetary resources, that is, a total of $1,376 million. In other words, total expenditures by the United Nations system (excluding those on peace-keeping operations financed outside the regular budget of the United Nations) have risen by more than one half within two years. Much of this increase was caused by inflation and currency fluctuations.

23. But this expansion in the size of the budgets of the organizations has been accompanied by a deterioration of their financial situation. As can be seen from table F below the percentage of current year's contributions collected at 30 September 1975 was lower than the corresponding figure at 30 September 1974 for all agencies except one (IMCO); in the case of several agencies the deterioration has been very significant.

24. The regular budgets of the specialized agencies and the IAEA in 1976 will be about $100 million more than the 1975 total of $443 million. However, as can be seen from the detailed analysis of the agencies' budgets in chapter IV below, much of the increase is due to inflation. As staff costs account for the bulk of the agencies' budgets, changes in the number of established posts are indicative of changes in the volume of the agencies' activities. Table B shows that seven organizations will either add no new posts in 1976 or will add fewer than 10 posts. One organization (FAO) is planning large-scale expansion (519 new posts). The remaining three organizations (UNESCO, IMCO and IAEA) account for a total of 90 new posts; while this expansion is not very significant in absolute terms, it comes on top of a substantial increase in these establishments in 1975.

25. The numbers of staff in established posts financed under the regular budgets account for only part of the over-all manpower resources of the organization. The balance is financed from extrabudgetary resources, including overhead costs. The relationship between regular budget staff and total manpower resources at the end of 1974 is shown in the following table.

	Number of regular-budget established posts a/	Number of staff in post, 31 December 1974 (all sources of funds)		
		Headquarters and other established offices	Project	Total
United Nations b/	9,372	10,169	1,532	11,701
ILO	1,414	1,875	1,003	2,878
FAO	2,250	3,644	2,363	6,007
UNESCO	2,151	2,707	870	3,577
ICAO	655	684	230	914
UPU	124	131	49	180
WHO	3,438	3,087	1,915	5,002
ITU	587	572	269	841
WMO	220	270	81	351
IMCO	142	142	16	158
IAEA	1,158	1,074	-	1,074
Total	21,511	24,355	8,328	32,683

a/ See table B below.

b/ Approved for the biennium 1974-1975 at the twenty-eighth session of the General Assembly.

26. If one adds to the above total of 32,683 the staff of UNDP, UNICEF, UNITAR, the International Trade Centre, UNCTAD/GATT, GATT and the international staff of UNRWA, the over-all size of the staff of all the organizations in the United Nations common system as at 31 December 1974 becomes nearly 38,000 (including the approximately 2,500 locally recruited General Service staff in UNDP field offices).

COMPARATIVE TABLES

A. Amount of estimates or approved budgets

27. The table below shows the evolution of the gross regular budgets of the organizations in the United Nations system from 1971 to 1976:

(In thousands of dollars)

Organization	1971 actual expenses	1972 actual expenses	1973 actual expenses	1974 Obligations or actual expenses	1975 appropriations	1976 appropriations or estimates	1976 increase by comparison with 1974	1976 percentage increase by comparison with 1974	1976 increase or (decrease) by comparison with 1975	1976 percentage increase or (decrease) by comparison with 1975
ILO	32,949	32,654	46,564	51,670	56,010[a]	90,603[b]	38,933	75.0	34,593	62.0
FAO	43,258	44,967	50,926	58,562	67,238	87,174	28,612	48.8	19,936	29.6
UNESCO[c]	49,461	56,686[d]	67,463[e]	81,565[f]	89,675[g]	104,144[g]	22,579	27.7	14,471	16.1
ICAO	9,728	10,320	12,367	14,153	17,026	18,101	3,948	27.9	1,075	6.3
UPU	2,306[h]	2,523[i]	3,316[j]	4,744[k]	5,030[k]	5,287[k]	543	11.4	257	5.1
WHO	84,657	95,394	108,308	119,114	133,644[l]	153,436[m]	34,322	28.8	19,792	14.8
ITU[n]	14,969	15,188	17,628	23,644	23,253	23,695	51	0.2	442	1.9
WMO	4,293	4,376	6,125	7,242	9,850	11,304	4,062	56.1	1,454	14.8
IMCO	1,613	1,876	2,168	2,924	3,031	4,648	1,724	59.0	1,617	53.3
IAEA	14,010	16,532	19,881	23,436	32,175[o]	37,002	13,566	57.9	4,827	15.0
WIPO[p]	2,444	2,874	4,005	5,277	6,420	7,591	2,314	43.8	1,171	18.2
Subtotal (specialized agencies and IAEA)	259,688	283,390	338,751	392,331	443,350	542,985	150,654	38.4	99,635	22.5
United Nations	194,125	208,395	233,804	276,884	329,149	360,617[q]	83,733	30.2	31,468	9.6
GRAND TOTAL	453,813	491,785	572,555	669,215	772,499	903,602	234,387	35.0	131,103	17.0

a/ There is no separate ILO budget for 1975. The figures represent the balance of the appropriations available under the 1974-1975 programme and budget originally adopted by the Conference, after deduction of expenditure incurred in 1974. To avoid double counting, supplementary credits approved for 1974-1975 are not taken into account in the 1975 figures, corresponding reimbursements to the Working Capital Fund forming a part of expenditures in 1976 and 1977.

b/ There is no separate ILO expenditure budget for 1976. However, the Conference, at its sixtieth session, made provision for the 1976-1977 programme and budget to be financed in unequal amounts in each of the two years of the biennium. The figure given corresponds to the 1976 income thus provided for. It includes provision for exceptional reimbursement to the Working Capital Fund in 1976 of $8.0 million, assigned to part III of the budget, in respect of withdrawals under supplementary credits totalling some $14.9 million in 1974-1975, and provision of $10.1 million, assigned to part IV of the budget, to provide for extra costs expected to arise in 1976 from exchange rate changes.

c/ The budgetary periods of UNESCO are 1971-1972, 1973-1974 and 1975-1976.

d/ As at 31 December 1972, (grossed) appropriations for the 1971-1972 biennium, including advances ($2 million) from the Working Capital Fund, supplementary estimates ($2,142,600) and donations ($39,062), amounted to a total of $106,151,322, of which $49,460,583 represented (grossed) expenditures in 1971, and $56,686,490 (grossed) expenditures in 1972 (leaving a surplus of $4,249).

(Foot-notes continued on following page)

e/ Represents (grossed) expenditures incurred.

f/ As at 31 December 1974, (grossed) appropriations for the 1973-1974 biennium, including supplementary estimates ($14,252,100) and donations ($20,285), amounted to to a total of $152,740,085, of which $67,462,927 represented (grossed) expenditures in 1973, $81,565,457 (grossed) expenditures in 1974, and $3,652,100 the unassessed portion of the supplementary estimates (leaving a surplus of $59,601).

g/ As the regular budget of UNESCO is biennial, the division of the biennial provision into annual totals is somewhat artificial. These figures represent (grossed) appropriations based on the approved budget for 1975-1976 ($169,992,000) as increased by donations ($106,667).

h/ Converted at the rate of 3.95 Swiss francs = $US 1.

i/ Converted at the rate of 3.80 Swiss francs = $US 1.

j/ Converted at the rate of 3.20 Swiss francs = $US 1.

k/ Converted at the rate of 2.68 Swiss francs = $US 1.

l/ Excludes undistributed reserve of $3,090,870.

m/ Excludes undistributed reserve of $3,670,820.

n/ The ITU budget is established in Swiss francs. All amounts given have been conserved at the present rate of SwF 2.68 = $US 1.

o/ Includes $2.5 million supplementary appropriations in addition to original appropriations of $29,675,000 (1975 and 1976 figures subject to approval by the General Conference in September 1975).

p/ The budget of WIPO is expressed in Swiss francs, as are contributions. The corresponding amounts in Swiss francs have been converted at the rates prevailing on 31 December of each year up to 1974: SwF 3.95 = $US 1 in 1971, 3.80 in 1972, 3.20 in 1973 and 2.74 in 1974. The rate of 2.74 has also been used for 1975 and 1976 to facilitate comparison.

q/ Represents one half of the initial estimates recommended by the Advisory Committee for the biennium 1976-1977 (Official Records of the General Assembly, Thirtieth Session, Supplement No. 8 (A/10008 and Corr.2), table 3).

B. Established posts

28. The number of established posts authorized or requested under the regular budgets for 1974, 1975 and 1976 is given below:

Organization	1974	1975	1976	Increase (decrease) 1974-1976		Increase (decrease) 1975-1976	
				Number	Per-centage	Number	Per-centage
ILO	1,414[a/]	1,414[a/]	1,414	0	-	0	-
FAO	2,250	2,250	2,769	519	23.1	519	23.1
UNESCO	2,151[b/]	2,347[c/]	2,386[d/]	235	10.9	39	1.7
ICAO	655	688	696	41	6.3	8	1.2
UPU	124	126	126	2	1.6	0	-
WHO	3,438	3,409	3,398	(40)	(1.2)	(11)	(0.3)
ITU	587	611	617[e/]	30	5.1	6	1.0
WMO	220	221	229	9	4.1	8	3.6
IMCO	142[f/]	152[g/]	176[h/]	34	23.9	24	15.8
IAEA	1,158	1,205	1,232	74	6.4	27	2.2
WIPO	78[i/]	81[i/]	85	7	9.0	4	4.9
Subtotal (agencies)	12,217	12,504	13,128	911	7.4	624	5.0
United Nations	9,372[j/]	9,586[k/]	10,176[l/]	804	8.6	590	6.2
GRAND TOTAL	21,589	22,090	23,304	1,715	7.9	1,214	5.5

a/ This figure includes the 10 established posts of the International Occupational Safety and Health Information Centre (CIS) which have been financed since 1 January 1974 directly through the ILO regular budget. Through an oversight, the transfer of these posts to the regular budget was not mentioned in the information previously given to the Committee on the 1974-1975 programme and budget and was thus not recorded in the Committee's reports relating to these two years.

b/ Excluding 127 maintenance posts, 65 posts for the Guard Service at headquarters and 40 maintenance posts in the field.

(Foot-notes continued on following page)

c/ Including 90 posts from the margin, but excluding 127 maintenance posts, 65 posts for the Guard Service at headquarters and 42 maintenance posts in the field.

d/ Including 92 posts from the margin, but excluding 127 maintenance posts, 65 posts for the Guard Service at headquarters and 44 maintenance posts in the field.

e/ Established posts, excluding any posts in grades G-7 to G-1 that may be created by the Secretary-General of ITU by virtue of Administrative Council resolution No. 753.

f/ Excludes 19 headquarters posts paid from the technical co-operation budget (7 Professional and 12 General Service posts).

g/ Excludes 23 headquarters posts paid from the technical co-operation budget (9 Professional and 14 General Service posts).

h/ Subject to approval by the IMCO Assembly at its ninth session. Excludes 28 headquarters posts paid from the technical co-operation budget (11 Professional and 17 General Service posts).

i/ Estimated since in 1974 and 1975 the budget made no distinction between posts for the regular budget and posts allocated to WIPO activities not covered by the regular budget (International Registration services etc.). The above figures do not include established posts under the activities shown in table C (88 posts in 1974, 95 in 1975 and 100 in 1976).

j/ Approved for the biennium 1974-1975 by the General Assembly at its twenty-eighth session.

k/ Adjusted total establishment authorized for 1975 by the General Assembly at its twenty-ninth session.

l/ Represents total establishment recommended by the Advisory Committee for the biennium 1976-1977 (Official Records of the General Assembly, Thietieth Session, Supplement No. 8 (A/10008 and Corr.2), table 2).

C. Special projects and activities

29. The provisions in the several budgets or budget estimates for special projects and activities are shown in the following table:

(In United States dollars)

Organization	1974	1975	1976
ILO[a/]	1,723,000	1,350,000	3,715,000
FAO	2,220,500	2,261,716	3,735,000
UNESCO	18,696,168	19,219,067	21,223,300
ICAO	58,000	62,000	62,000
UPU	479,195[b/]	-	-
WHO[c/]	12,498,996	12,441,596	12,554,630
ITU[d/]	2,010,821	2,449,217	2,221,343
WMO	1,821,100	1,804,880	2,000,600
IMCO	-	-	-
IAEA	3,572,800	4,234,000[e/]	4,965,000[f/]
WIPO[g/] [h/]	2,571,000	3,221,000	3,720,000

a/ Corresponds to the heading "Fellowships, grants and contributions" in the ACC standard code of objects of expenditure. The 1976 figure includes a budgetary contribution of $1.2 million to programme support costs for UNDP-financed projects, which is shown in the budget under this heading.

b/ Converted at the rate of 2.68 Swiss francs = $US 1.

c/ Corresponds to the heading "Fellowships, grants and contributions" in the ACC standard classification of objects of expenditure.

d/ Converted at the rate of 2.68 Swiss francs = $US 1.

e/ Austrian schillings 18.50 = $US 1.

f/ Austrian schillings 17.00 = $US 1.

g/ Shown here is income for services performed by the International Bureau, mainly fees in respect of International Registration of Trademarks.

h/ Converted at the rate of 2.74 Swiss francs = $US 1 (see foot-note p at table A).

D. Working Capital Fund

30. The following table shows the amounts approved or proposed for the working capital funds in relation to the gross budget or budget estimates for 1976 and, where appropriate, to the budgets or estimates for the financial periods, together with percentages:

(In thousands of dollars)

Organization	1976 gross budget or budget estimate	Gross budget or estimate for financial period	Working capital fund	Percentage of third column to first column	Percentage of third column to second column
ILO	90,603	161,810	- a/	-	-
FAO	87,174	193,000	6,500 b/	7.5	3.4
UNESCO	104,144	193,817	8,000	7.7	4.1
ICAO	18,101	54,228	1,500	8.3	2.8
UPU	5,287 c/	-	- d/	-	-
WHO	157,107 e/	-	11,120	7.1	-
ITU f/	23,695	-	-	-	-
WMO	9,402 g/	40,542 h/	2,000	21.3	4.9
IMCO	4,993	10,836	250	5.0	2.3
IAEA	37,002 i/	-	2,000	5.4	-
WIPO j/	7,591	-	-	-	-
United Nations . .	360,617 k/	721,234 l/	40,000	11.1	5.5

a/ It is currently expected that the Working Capital Fund of the ILO will be more than exhausted on 1 January 1976 as a result of:

(i) Late payment of a number of major contributions; and

(ii) Withdrawals to cover supplementary expenditures in the financial period 1974-1975 of approximately $15 million authorized by the Governing Body of the ILO under article 19, paragraph 1 (b), of the Financial Regulations of the ILO. These supplementary expenditures have been required principally to meet the additional costs of carrying out approved programes arising from the high rate of inflation prevalent throughout

(Foot-notes continued on following page)

a/ (continued)

the biennium and the fall in the exchange value of the United States dollar (the currency in which Members' contributions are assessed) against the Swiss franc, in which the major part of the regular budget expenditure is incurred.

The Director-General has authority to borrow in case of need under article 21, paragraph 1 (b), of the Financial Regulations. He plans to resort to borrowing if, in fact, the Working Capital Fund should be exhausted, as currently expected.

b/ Present level is $4,500,000. The proposed level is $6,500,000, which is subject to approval by governing bodies.

c/ Converted at the rate of 2.68 Swiss francs = $US 1.

d/ UPU has no Working Capital Fund, since the working expenses of the International Bureau are advanced interest-free for one year by the Government of the Swiss Confederation within the limits set by the Universal Postal Congress. Such advances are repaid from the contributions of Member States due in the year following the year of account. Contributions outstanding at 31 December of this following year carry interest as from the date at 5 per cent per annum.

e/ Includes undistributed reserve of $3,670,820.

f/ ITU has no Working Capital Fund.

g/ Staff assessment not included.

h/ 1976-1979.

i/ Austrian schillings 17.0 = $US 1.

j/ The various conventions administered by WIPO provide for the creation of working capital funds. However, the competent bodies of WIPO have decided to defer to a later date the creation of these funds. The only union with a Working Capital Fund is the Locarno Union, which has established one of 30,000 Swiss francs.

k/ Corresponds to one half of the initial estimates recommended by the Advisory Committee for the biennium 1976-1977 (Official Records of the General Assembly, Thirtieth Session, Supplement No. 8 (A/10008 and Corr.2), table 3).

l/ Represents initial estimates recommended by the Advisory Committee for the biennium 1976-1977 (Official Records of the General Assembly, Thirtieth Session, Supplement No. 8 (A/10008 and Corr.2), table 3).

E. Scales of assessment

31. The scales of assessment (in percentage) applied to States Members of the United Nations and members of the specialized agencies and of IAEA are shown in the following table:

(In percentage)

Members[a]	United Nations [b]	ILO	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	IAEA[c]	WIPO
Afghanistan	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	-	0.02	-
Albania	0.02	-	0.02	0.02	-	0.30	0.02	0.12	0.09	-	0.02	-
Algeria	0.08	0.10	0.10	0.08	0.10	0.10	0.08	0.24	0.09	0.14	0.08	0.22
Argentina	0.83	1.03	1.06	0.82	0.82	2.46	0.81	0.72	1.28	0.50	0.86	1.61
Australia	1.44	1.77	1.83	1.43	1.65	2.46	1.41	4.32	1.70	0.43	1.49	2.37
Austria	0.56	0.52	0.71	0.55	0.46	0.49	0.54	0.24	0.50	-	0.58	1.62
Bahamas	0.02	-	-	-	0.06	0.10	0.02	0.12	0.09	-	-	-
Bahrain	0.02	-	0.02	0.02	0.06	0.10	0.02	0.12	-	-	-	-
Bangladesh	0.08	0.10	0.13	0.10	0.09	2.46	0.10	0.24	0.09	-	0.10	-
Barbados	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	-	-
Belgium	1.05	1.30	1.34	1.04	1.06	1.48	1.02	1.20	1.19	0.44	1.09	2.29
Bhutan	0.02	-	-	-	-	0.10	-	-	-	-	-	-
Bolivia	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.26	-	0.02	-
Botswana	0.02	-	0.02	-	-	0.10	0.02	0.12	0.02	-	-	-
Brazil	0.77	0.95	0.98	0.76	0.96	2.46	0.76	1.20	1.28	0.81	0.80	2.02
Bulgaria	0.14	0.17	0.18	0.14	0.13	0.49	0.14	0.24	0.34	0.33	0.15	0.49
Burma	0.03	0.04	0.04	0.03	0.06	0.30	0.03	0.12	0.26	0.08	0.03	-
Burundi	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
Byelorussian Soviet Socialist Republic	0.46	0.47	-	0.45	-	0.49	0.46	0.24	0.50	-	0.48	0.05
Cambodia	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	0.02	-
Canada	3.18	3.36	4.05	3.15	3.31	2.46	2.67	4.32	2.56	0.89	3.29	4.35
Cape Verde	-	-	-	-	-	-	-	-	-	-	-	-
Central African Republic	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.21
Chad	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.12
Chile	0.14	0.17	0.18	0.14	0.17	0.49	0.14	0.24	0.43	0.18	0.15	0.15
China	5.50	4.20	7.01	5.46	4.67	2.46	5.39	4.80	3.67	0.71	-	-
Colombia	0.16	0.20	0.20	0.16	0.25	0.49	0.16	0.72	0.34	0.13	0.17	-
Comoros	-	-	-	-	-	-	-	-	-	-	-	-
Congo	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.12
Costa Rica	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	-	0.02	-
Cuba	0.11	0.14	0.14	0.11	0.08	0.30	0.11	0.24	0.26	0.19	0.11	0.25

Table E (continued)

Members[a]	United Nations [b]	ILO	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	IAEA[c]	WIPO
Cyprus	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	1.11	0.02	0.35
Czechoslovakia	0.89	0.92	1.13	0.88	0.73	1.48	0.87	0.72	0.93	0.10	0.92	1.62
Dahomey	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.22
Democratic People's Republic of Korea	-	-	-	0.07	-	0.99	0.07	-	0.09	-	0.07	0.05
Democratic Republic of Viet-Nam	-	-	-	-	-	-	0.02	-	0.09	-	-	-
Democratic Yemen	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
Denmark	0.63	0.70	0.80	0.62	0.63	0.99	0.61	1.20	0.68	1.44	0.65	1.65
Dominican Republic	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	0.07	0.02	0.21
Ecuador	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.24	0.09	0.11	0.02	-
Egypt	0.12	0.15	0.15	0.12	0.19	1.48	0.12	0.48	0.50	0.14	0.12	0.21
El Salvador	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	-	0.02	-
Equatorial Guinea	0.02	-	-	-	0.06	0.30	-	0.12	-	0.07	-	-
Ethiopia	0.02	0.04	0.02	0.02	0.07	0.30	0.02	0.24	0.17	-	0.02	-
Fiji	0.02	0.04	0.02	-	0.06	0.10	0.02	0.12	-	-	-	0.05
Finland	0.42	0.42	0.53	0.42	0.37	0.99	0.42	0.72	0.50	0.53	0.44	1.47
France	5.86	6.07	7.47	5.81	5.55	2.46	5.73	7.20	4.45	2.85	6.07	5.13
French Overseas Territories	-	-	-	-	-	0.30	-	-	0.45	-	-	-
Gabon	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	0.02	0.22
Gambia	0.02	-	0.02	0.02	-	0.10	0.02	0.12	-	-	-	-
German Democratic Republic	1.22	1.22	-	1.21	-	1.48	1.18	0.72	1.28	0.44	1.26	1.90
Germany, Federal Republic of	7.10	6.38	9.05	7.04	6.20	2.46	6.90	4.80	4.53	2.58	7.35	7.12
Ghana	0.04	0.05	0.05	0.04	0.06	0.30	0.04	0.24	0.17	0.12	0.04	-
Greece	0.32	0.28	0.41	0.32	0.42	0.49	0.31	0.24	0.26	6.75	0.33	0.55
Grenada	0.02	-	-	0.02	-	-	0.02	-	-	-	-	-
Guatemala	0.03	0.04	0.04	0.03	0.06	0.30	0.03	0.24	0.09	-	0.03	-
Guinea	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	-	-	-
Guinea-Bissau	0.02	-	0.02	0.02	-	0.10	0.02	-	-	-	-	-
Guyana	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
Haiti	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	0.07	0.02	0.21
Holy See	-	-	-	-	-	0.10	-	0.12	-	-	0.02	0.35
Honduras	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	0.09	-	-
Hong Kong	-	-	-	-	-	-	-	-	0.09	0.07	-	-
Hungary	0.33	0.41	0.42	0.33	0.27	0.99	0.33	0.24	0.50	0.08	0.34	0.72

Table E (continued)

Members[a]	United Nations[b]	ILO	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	IAEA[c]	WIPO
Iceland	0.02	0.04	0.02	0.02	0.11	0.10	0.02	0.12	0.09	0.11	0.02	0.35
India	1.20	1.49	1.53	1.19	0.97	2.46	1.20	3.12	2.22	1.14	1.24	0.49
Indonesia	0.19	0.24	0.24	0.19	0.22	1.48	0.19	0.24	0.68	0.30	0.20	0.68
Iran	0.20	0.25	0.25	0.20	0.21	0.49	0.20	0.24	0.26	0.16	0.21	0.69
Iraq	0.05	0.06	0.06	0.05	0.06	0.10	0.05	0.12	0.09	0.14	0.05	-
Ireland	0.15	0.19	0.19	0.15	0.23	0.99	0.14	0.48	0.26	0.13	0.16	1.41
Israel	0.21	0.19	0.27	0.21	0.41	0.30	0.20	0.24	0.26	0.25	0.22	0.77
Italy	3.60	3.26	4.59	3.57	3.45	2.46	3.50	2.40	2.22	3.00	3.73	3.94
Ivory Coast	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.24	0.09	0.10	0.02	0.22
Jamaica	0.02	0.04	0.02	0.02	0.07	0.10	0.02	0.12	0.09	-	0.02	-
Japan	7.15	5.37	9.11	7.09	6.27	2.46	7.00	4.80	2.22	12.02	7.40	6.86
Jordan	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	0.02	0.07
Kenya	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	0.02	0.21
Kuwait	0.09	0.09	0.11	0.09	0.14	0.49	0.09	0.24	0.09	0.28	0.09	-
Laos	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
Lebanon	0.03	0.04	0.04	0.03	0.28	0.10	0.03	0.24	0.09	0.10	0.03	0.37
Lesotho	0.02	-	0.02	0.02	0.06	0.10	0.02	0.12	-	-	-	-
Liberia	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.24	0.09	17.06	0.02	-
Libyan Arab Republic	0.11	0.09	0.14	0.11	0.11	0.10	0.11	0.12	0.09	0.12	0.11	-
Liechtenstein	-	-	-	-	-	0.10	-	0.12	-	-	0.02	0.12
Luxembourg	0.04	0.05	0.05	0.04	0.06	0.30	0.04	0 12	0.09	-	0.04	0.39
Madagascar	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.24	0.09	0.08	0.02	0.22
Malawi	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.07
Malaysia	0.07	0.09	0.09	0.07	0.12	0.30	0.07	0.72	0.34	0.17	0.07	-
Maldives	0.02	-	0.02	-	0.06	0.10	0.02	0.12	-	0.09	-	-
Mali	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	0.02	0.15
Malta	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	-	0.08	-	0.12
Mauritania	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	-	0.12
Mauritius	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	0.02	-
Mexico	0.86	0.83	1.10	0.85	0.89	1.48	0.84	0.72	0.85	0.22	0.89	1.18
Monaco	-	-	-	0.02	-	0.10	0.02	0.12	-	-	0.02	0.12
Mongolia	0.02	0.04	0.02	0.02	-	0.10	0.02	0.12	0.09	-	0.02	-
Morocco	0.06	0.07	0.08	0.06	0.09	0.99	0.06	0.24	0.17	0.08	0.06	0.37
Mozambique	-	-	-	-	-	-	0.02	-	-	-	-	-
Namibia	-	-	-	-	-	-	0.01	-	-	-	-	-
Nauru	-	-	-	-	-	0.10	-	0.12	-	-	-	-
Nepal	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	-	-	-

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Table E (continued)

Members[a]	United Nations[b]	ILO	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	IAEA[c]	WIPO
Netherlands	1.24	1.17	1.58	1.23	1.76	1.48	1.20	2.40	1.02	1.76	1.28	2.77
Netherlands Antilles and Surinam	-	-	-	-	-	0.30	-	-	0.18[d]	-	-	-
New Zealand	0.28	0.35	0.36	0.28	0.31	2.46	0.28	0.72	0.51	0.12	0.29	0.59
Nicaragua	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.24	0.09	-	-	-
Niger	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	0.02	0.22
Nigeria	0.10	0.12	0.13	0.10	0.13	0.49	0.10	0.48	0.26	0.10	0.10	0.21
Norway	0.43	0.51	0.55	0.43	0.48	0.99	0.42	1.20	0.59	7.70	0.45	1.54
Oman	0.02	-	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	-	-
Pakistan	0.14	0.17	0.18	0.14	0.24	2.46	0.14	0.48	0.26	0.22	0.15	0.15
Panama	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	3.45	0.02	-
Papua New Guinea	-	-	-	-	-	-	0.01	0.12	-	-	-	-
Paraguay	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.09	-	0.02	-
Peru	0.07	0.09	0.09	0.07	0.07	0.49	0.07	0.12	0.34	0.22	0.07	-
Philippines	0.18	0.22	0.23	0.18	0.23	0.10	0.18	0.24	0.51	0.30	0.19	0.37
Poland	1.26	1.30	1.60	1.25	0.98	1.48	1.26	0.72	1.19	0.77	1.30	1.46
Portugal	0.15	0.19	0.19	0.15	0.31	0.99	0.15	0.12	0.43	-	0.16	0.98
Qatar	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
Republic of Korea	-	-	0.14	0.11	0.24	0.99	0.11	0.24	0.17	0.44	0.11	-
Republic of South Viet-Nam	-	0.07	0.08	0.06	0.07	0.30	0.06	0.12	0.26	-	0.06	0.21
Romania	0.30	0.37	0.38	0.30	0.27	1.48	0.30	0.24	0.43	0.25	0.31	1.11
Rwanda	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
San Marino	-	-	-	0.02	-	0.10	-	-	-	-	-	0.21
Sao Tome and Principe	-	-	-	-	-	-	-	-	-	-	-	-
Saudi Arabia	0.06	-	0.08	0.06	0.10	0.10	0.06	0.24	0.09	0.08	0.06	-
Senegal	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.24	0.09	0.07	0.02	0.22
Sierra Leone	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	0.02	-
Singapore	0.04	0.05	-	0.04	0.14	0.10	0.04	0.24	0.09	0.95	0.04	-
Somalia	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
South Africa	0.50	-	-	-	0.60	2.46	0.50	1.92	0.85	-	0.52	1.35
Southern Rhodesia	-	-	-	-	-	-	0.01	-	0.17	-	-	0.21
Spain	0.99	1.04	1.26	0.98	1.26	2.46	0.98	0.72	0.94	1.59	1.02	2.05
Spanish Provinces in Africa	-	-	-	-	-	0.10	-	-	-	-	-	-
Sri Lanka	0.03	0.04	0.04	0.03	0.06	0.49	0.03	0.12	0.26	0.08	0.03	0.35
Sudan	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.24	0.17	0.08	0.02	0.05

Table E (continued)

Members[a]	United Nations [b]	ILO	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	IAEA[c]	WIPO
Swaziland	0.02	-	0.02	-	0.06	0.10	0.02	0.12	-	-	-	-
Sweden	1.30	1.58	1.66	1.29	1.21	1.48	1.01	2.40	1.36	1.98	1.35	2.97
Switzerland	-	1.02	1.04	0.81	1.11	1.48	0.78	2.40	1.11	0.13	0.85	2.85
Syrian Arab Republic	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.17	0.07	0.02	0.07
Thailand	0.11	0.14	0.14	0.11	0.17	0.30	0.11	0.36	0.34	0.12	0.11	0.15
Togo	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.07
Tonga	-	-	-	-	-	0.10	0.02	0.12	-	-	-	-
Trinidad and Tobago	0.02	0.04	0.02	0.02	0.07	0.10	0.02	0.24	0.09	0.07	-	0.21
Tunisia	0.02	0.04	0.02	0.02	0.06	0.49	0.02	0.48	0.09	0.07	0.02	0.37
Turkey	0.29	0.36	0.37	0.29	0.27	1.48	0.29	0.48	0.51	0.34	0.30	0.35
Uganda	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	0.02	0.07
Ukrainian Soviet Socialist Republic	1.71	1.68	-	1.70	-	1.48	1.71	0.72	1.63	-	1.77	0.05
Union of Soviet Socialist Republics	12.97	11.28	-	12.87	13.03	2.46	12.97	7.20	10.45	5.91	13.43	5.76
United Arab Emirates	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.24	-	-	-	0.14
United Kingdom of Great Britain and Northern Ireland	5.31	5.55	6.77	5.27	5.54	2.46	5.31	7.20	5.91	9.83	5.50	6.76
United Kingdom Overseas Territories	-	-	-	-	-	0.49	-	-	0.09	-	-	-
United Republic of Cameroon	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	0.02	0.22
United Republic of Tanzania	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	0.07	-	0.21
United States of America	25.00	25.00	25.00	25.00	25.00	2.46	25.54	7.20	23.48	4.76	27.66	6.72
United States Overseas Territories	-	-	-	-	-	1.48	-	-	-	-	-	-
Upper Volta	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	0.07
Uruguay	0.06	0.07	0.08	0.06	0.06	0.30	0.06	0.12	0.34	0.11	0.06	0.35
Venezuela	0.32	0.40	0.41	0.32	0.36	0.30	0.32	0.72	0.51	-	0.33	-
Western Samoa	-	-	-	-	-	-	0.02	-	-	-	-	-
Yemen	0.02	0.04	0.02	0.02	0.06	0.10	0.02	0.12	0.09	-	-	-
Yugoslavia	0.34	0.40	0.43	0.34	0.32	1.48	0.34	0.24	0.51	0.61	0.35	1.39
Zaire	0.02	0.04	0.02	0.02	0.08	0.30	0.02	0.24	0.34	0.08	0.02	0.15
Zambia	0.02	0.04	0.02	0.02	0.06	0.30	0.02	0.12	0.17	-	0.02	0.21

/...

(Foot-notes on following page)

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

b/ The United Nations scale of assessments was adopted by the General Assembly in resolution 3062 (XXVIII).

c/ Represents the base rate of assessment; the actual scale to be applied to the regular budget is adjusted in respect of safeguards expenditure.

d/ Two separate members, each paying 0.09 per cent.

F. Collection of contributions

32. The following table shows for 1974 and 1975 the percentage of contributions to the regular budget collected at 30 June and 30 September, together with the total contributions outstanding at the latter date:

(In United States dollars)

Organizations	Percentage of current year's contributions collected at				Total of all contributions outstanding at 30 September (regardless of year of account)	
	30 June		30 September			
	1974	1975	1974	1975	1974	1975
ILO	48.71	31.65	69.66	45.30	18,311,754	31,773,480
FAO	48.46	37.14	85.00	60.47	8,743,639	22,144,800
UNESCO	45.72	40.69	68.62	60.84	20,443,127	34,135,191
ICAO	41.56	50.56	75.92	73.64	6,807,432	4,117,288
UPU	48.53	33.66	65.13	54.83	1,210,725	1,982,823
WHO	48.10	42.18	72.20	68.09	30,141,496	41,881,782
ITU	94.50	90.97	96.05	93.33	2,330,253	2,031,542
WMO	48.40	53.80	70.20	60.30	2,325,953	3,157,857
IMCO	60.46	73.49	76.40	85.05	797,328	616,353
IAEA	49.95	48.10	69.32	50.60	7,504,657	13,695,666
WIPO	33.32	31.04	66.56	63.40	1,272,764	1,351,840
United Nations[a/] .	36.59	38.68	76.46	63.53	75,902,684	125,700,840

a/ Current year's contributions collected exclude those amounts stated to relate to that year but which have been applied, in accordance with the Financial Regulations of the United Nations, to prior years' assessments. Such application results from contributions for certain budgetary items that some Member States have (i) stated to have been withheld for reasons of principle; or (ii) offered since 1963, to pay in their national currencies.

IV. DETAILED COMMENTS ON THE BUDGETS OF THE AGENCIES

A. International Labour Organisation

Approved net expenditure budget for 1976-1977		$143,982,000
Approved net expenditure budget for 1974-1975		93,569,000
	Increase	$ 50,413,000
		53.9 per cent

33. The Advisory Committee discussed the programme and budget of the International Labour Organisation with representatives of the Director-General of the Organisation.

34. The net expenditure budget of the ILO for 1976-1977 as approved by the International Labour Conference at its sixtieth session in June 1975 amounts to $143,982,000, which is 53.9 per cent higher than the corresponding figure for 1974-1975, which was approved by the Conference in June 1973.

35. The Advisory Committee was informed that the appropriations for 1976-1977 make no provision for programme growth over 1974-1975. The explanation of the magnitude of the increase in the size of the budget from one biennium to the next - despite zero net programme growth - lies in great part in the practice of the ILO of meeting unbudgeted expenses in a given financial period by way of advances from the Working Capital Fund, and of reimbursing the Fund by way of assessments on member States in the following financial period. Indeed, the term "net expenditure budget" as used in the ILO is somewhat of a misnomer, for it does not always refer to the amount of expenditure in a given budget period.

Programme and budget for 1974-1975

36. The net expenditure budget for 1974-1975 as approved by the Conference in 1973 included two contingency provisions: $275,000 for unforeseen expenditure (part II of the budget) and $3.3 million for exchange rate adjustments (part IV of the budget). But the net total of $93,569,000 for the biennium was arrived at after deduction of $1.5 million for exceptional receipts arising from 1973 exchange rate adjustments; the gross expenditure budget (total of parts I to IV) thus amounted to $95,069,000.

37. The aforesaid two contingency provisions proved inadequate and, at its sessions in November 1974 and February-March 1975, the Governing Body authorized supplementary credits for the biennium totalling $14,885,000 to be financed through withdrawals from the Working Capital Fund. The main single cause of the budgetary shortfall in 1974-1975 has been the fact that the actual rate of exchange of the Swiss franc to the United States dollar in the course of the biennium has been consistently lower than the rate of 3.11 Swiss francs = $US 1 used for costing the programme and budget. The Advisory Committee understands that nearly half the

projected withdrawal from the Working Capital Fund ($7.2 million) was attributable to the recalculation of expenditures in 1975 at an average rate of 2.55 Swiss francs to the dollar; however, since the spring of 1975, the rate of exchange has been more favourable to the dollar and, to that extent, actual requirements should prove less than was envisaged by the Governing Body at its February-March 1975 session.

38. Thus, the actual cost of the regular-budget programme of the ILO in 1974-1975 is currently estimated at $109,954,000, or $16,385,000 more than the net expenditure budget approved by the Conference in the summer of 1973.

Programme and budget for 1976-1977

39. At the same time, it should be noted that the "net expenditure budget" of $143,982,000 approved by the Conference for 1976-1977 includes $8 million by way of reimbursement to the Working Capital Fund of advances for expenditures in 1974-1975. The balance related to the programme in 1976-1977 is thus $135,982,000, including $10.1 million by way of a global provision to cover shortfalls arising in 1976 out of changes in exchange rates (part IV of the budget) and $275,000 for unforeseen expenditure (part II of the budget). The above total of $135,982,000 is $26,028,000 or 23.7 per cent higher than the cost of the programme for 1974-1975 as currently estimated (see preceding paragraph).

40. The Advisory Committee was informed that the difference is attributable entirely to cost increases, and that the International Labour Conference has assumed a rate of inflation of 7 per cent in both 1976 and 1977. The $10.1 million provision for exchange rate fluctuations has been included to cover the added dollar costs in 1976 arising from recosting the programme at a rate of Swiss francs 2.51 = $US 1, instead of the rate of Swiss francs 3.10 used in building the programme budget. The Governing Body will review the situation in 1976 and will make recommendations to the Conference at its sixty-first session in June of the same year on the extent of the additional financing in part IV that may be required to meet additional costs expected to arise during the biennium from the exchange rate position, and on any supplementary budget for 1977 which may be required to provide such financing.

41. As was indicated in paragraph 35 above, the programme and budget of the ILO for 1976-1977 shows zero programme growth. No new established posts are included, and total staff resources are currently expected by the ILO to be below those available in 1974-1975, by the equivalent of up to 74 Professional and 54 General Service man-years.

42. The Advisory Committee understands that the approved programme and budget for 1974-1977 reflects a greater level of economies than might appear at first sight because of the need for the regular budget to provide increased financing for activities in support of technical co-operation projects carried out with the help of outside funds. This need results from an expected shortfall of some $4 million in support cost receipts, half of which was covered by means of additional

regular budget appropriations for support work and half will be absorbed. The economies built into the Director-General's initial proposals and further economies made in the course of the review of these proposals in the Governing Body affected regular-budget technical co-operation activities, 3/ the publications programme, the meetings programme and research activities (reduced by $700,000, $840,000 and $760,000 respectively) and other areas. The international labour standards and personnel major programmes and the public information programme have been stabilized and the regional programmes have been reduced by a lump-sum amount of $649,000 pending the results of in-depth reviews. As a result of the various rationalization measures, the total provision for service and support activities had been reduced from 33 per cent of the total budget in 1974-1975 to 29 per cent in 1976-1977.

43. The Advisory Committee was informed, that when the draft programme and budget was reviewed by the Finance Committee of the Conference, a working party sought to achieve further savings, but no agreement could be reached on specific programme reductions; however, certain broad recommendations for economies were made for subsequent action by the Director-General and the Governing Body.

44. The Committee notes that, despite the stabilization of the ILO programme and the expected decline in staff resources, the number of established posts in grades P-5 to D-2 has been increased - following an office-wide grading survey of all posts in grades P-1 to D-1 - from 142 in 1974-1975 to 158 in 1976-1977, or from 20.6 to 23 per cent of staff in the Professional and higher categories. The regradings from P-5 to D-1 total 14, and there is one regrading from D-1 to D-2. It can thus be seen that the ILO has also been affected by the grade creep pervading the United Nations system.

45. The budget for 1976-1977 follows a revised programme structure. Under the new format, part I of the budget (Ordinary budget) is divided into six chapters instead of five as hitherto. Whereas in the past one chapter (chapter C, Programmes of activity) accounted for three quarters of part I, under the new format no chapter exceeds about one third of part I. The main changes involve the elimination of the former chapter C, and the transfer of the provision for major regional meetings to chapter A, Policy-making organs; the provisions for editorial and documents services to chapter D, Service and support activities; and the provisions for relations, public information, liaison and management of field programmes to a new chapter E, Regional services and relations. Thus, section C now includes only the provisions for technical programmes. The new format corresponds to a new structural organization of the International Labour Office into three sectors: Technical Programmes, General Administration and Relations. Two other changes made in the presentation of the programme and budget are designed to facilitate comparisons with the previous biennium and to provide an overview of the resources devoted to the areas of main emphasis. The Advisory Committee understands that studies are now under way with a view to simplifying the budget presentation and eliminating superfluous details in the 1978-1979 exercise.

3/ As the Director-General pointed out before the Finance Committee of Government Representatives, the provision for technical co-operation activities in the amount of $6 million, though $4 million less than he had originally proposed, was 20 per cent above the 1974-1975 level (International Labour Conference, Sixtieth Session, Provisional Record 18, third report of the Finance Committee of Government Representatives, para. 12).

Working capital fund and financial position

46. Last year the Advisory Committee reported to the General Assembly that the estimated cash level of the Working Capital Fund of the ILO at 1 January 1975 was $12 million (A/9857, table D). As a result of the withdrawals referred to in paragraph 37 above, the cash level shrank to less than $2.5 million at the end of July. Even after allowing for $1.3 million in interest and other miscellaneous income, the total operating funds available to the ILO under the regular budget amounted to less than one month's expenditure. The cash deficit at the end of the biennium was expected to amount to approximately $18.6 million.

47. The Advisory Committee was informed that, as a step designed to alleviate the cash position of the ILO, the Governing Body recommended and the Conference approved that an amount of $8 million be reimbursed to the Working Capital Fund in 1976, notwithstanding the provisions of article 21, paragraph 3 (a), of the Financial Regulations (pursuant to which reimbursement would be made in 1977).

Financing the budget and scales of assessment

48. The Conference decided that, of the total amount of $143,982,000 required to finance the budget for 1976-1977, $81,041,000 (including amounts corresponding to the $8 million reimbursement referred to in the preceding paragraph and to the $10.1 million for exchange adjustments in 1976 referred to in para. 39) would be assessed for 1976 and $62,941,000 for 1977. At the same time, the Conference requested the Governing Body to make recommendations at its session in June 1976 regarding the need for additional financing for the biennium.

49. The scales of assessment for 1976 and 1977, as adopted by the Conference in June 1975, are not identical, but provide for the second and third steps which will bring the ILO scale into full harmony with that of the United Nations; the 1977 scale will be fully harmonized with the adjusted United Nations scale for 1974-1976.

B. Food and Agriculture Organization of the United Nations

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Total effective working budget for 1976-1977[a/]	169 800 000[b/] [c/]
Total effective working budget for 1974-1975	106 700 000
Increase	63 100 000

a/ Estimates, pending approval by the FAO General Conference in November 1975.

b/ After modification by the Director-General of his original proposal for an unprogrammed global deduction of $2.8 million.

c/ After deducting an estimated $3,820,000 for miscellaneous income, the amount to be assessed on Member States is $165,980,000.

50. The Advisory Committee discussed the budget of FAO for 1976 and related questions with representatives of the Director-General.

1976-1977 programme budget

51. The $169.8 million proposed budget level for the biennium 1976-1977 represents an increase of $63.1 million or 59.1 per cent over the approved budget for 1974-1975. Subject to final decision by the General Conference, the estimates have been calculated at an exchange rate of 650 lire to $US 1 as against the rate of 592 lire to $US 1 used for the approved budget level for 1974-1975.

52. Programme increases in the 1976-1977 proposed programme of work and budget are estimated at $28.4 million or 26.6 per cent and cost increases at $34.7 million or 25.7 per cent on 1974-1975 base plus programme increases. The estimate of cost increases reflects FAO's policy of "full budgeting".

53. The following table provides a summary of programme and price changes by chapters and programme objectives (regular programme).

	Approved budget 1974-75	Budget 1976-77	Increases	Programme change	Cost increases
	$	$	$	$	$
Chapter 1 - General policy and direction	7,812,125	10,082,870	2,270,745	144,950	2,125,795
Chapter 2 - Technical and economic programmes	61,540,666	101,793,060	40,252,394	19,740,716	20,511,678
Chapter 3 - Field programmes and development support	8,931,670	13,899,500	4,967,830	2,856,310	2,111,520
Chapter 4 - Special programmes	2,522,725	3,320,360	797,635	152,935	644,700
Chapter 5 - General programme services	7,496,630	10,733,580	3,236,950	1,211,040	2,025,910
Chapter 6 - General support	17,495,184	28,002,630	10,507,446	3,765,836	6,741,610
Chapter 7 - Miscellaneous expenditure . .	701,000	1,768,000	1,067,000	540,000	527,000
Chapter 8 - Contingencies	200,000	200,000	-	-	-
GRAND TOTAL . . .	106,700,000	169,800,000	63,100,000	28,411,787	34,688,213

54. Programme increases reflect the emphasis given to priority areas by the governing bodies of FAO and the World Food Conference. At the same time, there will be a net reduction in the number of subprogrammes as well as reductions in the resources allocated to some subprogrammes. Two major trends are evident: (a) the largest increases will go to technical activities and (b) the regional offices in the developing regions will receive larger proportionate increases as compared with Headquarters.

55. The Advisory Committee was informed by the representative of the Director-General that the proposed programme provides much greater opportunity to strengthen the regional offices in resources and authority. The intention now is to accelerate

decentralization, but details of application have to be worked out (keeping in mind the implications affecting UNDP, the major contributor. A related policy emphasis is the Director-General's intent to make greater use of national institutions to execute regular programme activities. The Committee understands that these issues are currently under close examination by the organization and will be reported on in the coming year.

1976 budget

56. The following table provides the budget summary for 1975 and 1976. For 1975, it represents the object of expenditures breakdown of the programme budget appropriations for the biennium 1974-1975 less 1974 expenditures. The data for 1976 corresponds to approximately 45.2 per cent of recommended appropriations for the biennium 1976-1977.

	1975	1976
	$	$
Personal services		
Salaries and wages (gross)	47,951,700	58,298,000
Common staff costs	10,153,500	13,025,000
General services		
Travel on official business	1,636,500	3,048,000
Contractual services	1,350,900	2,615,000
General operating expenses	2,909,200	5,403,000
Supplies and materials	769,600	1,188,000
Acquisition of property and equipment	205,100	862,000
Special projects and activities		
Fellowships, grants and contributions	245,300	514,000
Other	2,016,416 a/	3,221,000 a/
Total (gross)	67,238,216	88,174,000
Less: Income from staff assessment	9,300,000 b/	11,674,000 b/
Other revenue	- c/	1,910,000
Total (net)	57,938,216	74,590,000

a/ Includes, for both years, the Joint FAO/WHO Food Standards Programme; Joint FAO/World Bank Co-operative Programme; Joint FAO/UNICEF/WHO Protein Advisory Group; participation in institutions of the United Nations common system; Joint Committee for the Promotion of Agricultural Co-operatives; Technical Advisory Committee; contingencies; and, in 1976, the World Food Council secretariat; Consultative Group on Food Production and Investment; and part of the FAO/UNEP programme.

b/ Subject to reduction of credit of any member State which levies taxes on payments received from FAO by staff members who are nationals of such a State.

c/ In 1974-1975, miscellaneous income is to be placed, to the extent necessary, in a special Suspense Account set up for the period 1974-1975, to be drawn upon as necessary to meet cash needs and unbudgeted extra costs arising from currency movements and from inflationary trends in the biennium.

Staff

57. A considerable increase in staff resources at the headquarters of FAO and in the regions is requested for the coming biennium. Under the regular programme, a total of 519 posts (an increase of 23 per cent) will be added to the existing establishment of 2,250 posts. This includes 41 posts to be transferred from agency overhead costs to the regular programme. The following table provides the established post requirements under the regular programme for the three-year period period 1974-1976.

		1974	1975	1976	1976 change over 1975
Director-General		1	1	1	-
Deputy-Director-General		1	1	1	-
Assistant Director-General		10	10	10	-
Director	D-2	26	26	25	(1)
	D-1	65	65	80	15
Professional	P-5	179	179	244	65
	P-4	307	307	401	94
	P-3	169	169	206	37
	P-2	114	114	128	14
	P-1	20	20	28	8
Subtotal		892[a/]	892[a/]	1,124[a/]	232
General Service		1,358	1,358	1,645	287
TOTAL		2,250	2,250	2,769	519

a/ Not including posts of the FAO/World Bank Co-operative Programme, Joint FAO/WHO Food Standards Programme and Senior Agricultural Advisers/FAO Country Representatives, in view of the various cost-sharing agreements.

58. Excluding the 41 posts to be transferred from UNDP overhead costs, the new posts total 200 Professional and 278 General Service posts, of which 80 and 107 posts, respectively, are earmarked for the regional offices. Compared to the 312 total number of posts of the regional offices in January 1975, the 187 additional posts represent an increase of nearly 60 per cent.

59. The Advisory Committee inquired into the capacity of FAO to absorb and effectively utilize the record increase in resources particularly of new posts in one biennium. It was informed that FAO would apply as an exceptional measure a

special lapse factor of 25 per cent on all new posts requested for 1976-1977 (this is in addition to the comprehensive lapse deduction of 5.5 per cent already in force in FAO on all established posts) and would stipulate that the new posts would be established and filled on a fixed-term non-continuing basis pending review during the coming biennium. The Committee was also informed that, in essence, the special lapse factor would give FAO the flexibility of hiring new staff with a budgetary provision for 18 months only, which, in the coming biennium, represents an amount of about $4.9 million at 1976-1977 standard salary rates. It should be realized, of course, that the full costs for the new posts, if continued, would have to be met in the following biennium 1978-1979. In this context, the Advisory Committee recalls that the United Nations applies a 50 per cent delayed-recruitment deduction to all new Professional posts, and a 35 per cent deduction to the cost of all new posts in other levels; the turnover deduction for existing Professional posts is 5 per cent.

Extrabudgetary resources

60. In view of the magnitude of other sources of funds available to FAO in support of food and agriculture field programmes, the regular programme cannot be considered in isolation from the organization's extrabudgetary resources, which come from UNDP, United Nations sources, other agencies, various trust funds and co-operative programmes. In the current biennium, the $326.5 million extrabudgetary resources of FAO are more than three times the $106.7 million regular programme budget. And, as at 1 January 1975, the extrabudgetary establishment of FAO included 1,271 overhead posts, as against the 2,250 posts financed under the regular programme. The following table summarizes the total resources of FAO for the regular programme and extrabudgetary field programmes in the current biennium, the estimates for 1976-1977 and the share of global and regional type activities.

(In millions of United States dollars)

	1974-1975			1976-1977		
	Total	Regular programme	Field programmes	Total	Regular programme	Field programmes
Total resources	433.2	106.7	326.5	606.3	169.8	436.5
		(24.7%)	(75.3%)		(28.0%)	(72.0%)
Regional type activities	362.0	58.4	303.6	487.8	83.0	404.8
		(16.1%)	(83.9%)		(17.0%)	(83.0%)
Global type activities	71.2	48.3	22.9	118.5	86.8	31.7
		(67.8%)	(32.2%)		(73.2%)	(26.8%)

61. A summary of the established posts of FAO as at 1 January 1975 under regular programme and extrabudgetary sources is given in the table below:

	Total	Regular programme	Agency overhead costs and other funds
Professional	1 338	892 (66.7%)	446 (33.3%)
General Service . .	2 183	1 358 (62.2%)	825 (37.8%)
Total	3 521	2 250 (63.9%)	1 271 (36.1%)

62. About half of the extrabudgetary funds of FAO come from UNDP (as does more than half of its posts charged to extrabudgetary sources). In terms of total UNDP allocations, the organization receives nearly 30 per cent. Of the $1,523.5 million total Indicative Planning Figures resources for the current UNDP five-year country planning cycle 1972-1976, the estimated share of FAO is $450.7 million. The tentative schedule of future FAO/UNDP IPF delivery is put at $95 million in 1975, $104 million in 1976 and $116 million in 1977.

Rate of reimbursement of overhead costs

63. The rate of reimbursement of overhead costs is an important issue in view of the ever-increasing extrabudgetary funds channelled through FAO. It will be recalled that the UNDP rate of reimbursement for executing agency costs has been increased by the UNDP Governing Council from 13 per cent to 14 per cent of actual costs (effective 1 January 1974 for a period of three years). The over-all support of FAO as measured in 1974, amounts to 16.2 per cent and are thus the lowest for all executing agencies. FAO estimates that the regular programme will have to contribute some $15 million in the course of the biennium 1976-1977 to cover the difference between actual overhead costs and the 14 per cent reimbursement. On the basis that the latter covers 12 per cent for non-technical backstopping and 2 per cent for project formulation, the balance to be met from the regular budget relates to technical backstopping and other support costs. The Advisory Committee was informed that the question of the reimbursement of overhead costs would be considered in depth by the FAO Council in the context of the interrelationship between the regular programme and field programmes.

Overdrawing of UNDP overhead funds

64. The Advisory Committee inquired into the outcome of the problem of the overdrawing by FAO of UNDP overhead funds by approximately $5 million, as claimed by UNDP, which was submitted to an outside expert for investigation. The Committee was informed that final agreement had been reached between the two agencies according to which FAO would repay $2,775,130 over a period of five years, commencing 1 January 1976, and the balance of some $2.2 million would be written off by UNDP. It is understood that repayments by FAO will not be from the regular programme, but will be effected by economies in the use of overhead agency cost earnings.

FAO headquarters accommodation

65. The Advisory Committee was informed that the building in use by the Italian Ministry of Posts and Telecommunications, which has been earmarked for FAO, would not be available for occupancy in the next biennium owing to the alterations that will be required after the building has been vacated. According to the representative of the Director-General, the buildings currently available to FAO in Rome are already utilized to capacity and, in view of the additional staff expected in the coming biennium, additional accommodation will have to be rented, for which provision has been made in the 1976-1977 budget estimates.

Scale of contributions

66. In June 1975, the FAO Council considered again the question of the scale of contributions for 1976-1977 and expressed the view that the scale should continue to be based on the United Nations scale of assessments. However, pending the decision of the Conference in this respect, the scale to be adopted by the Conference is not yet available.

Other questions

67. The programme of work and budget of FAO for 1976-1977 includes a sum of $600,000 as the organization's share of the cost of the secretariat of the World Food Council. No other data are given and the Director-General qualifies the amount as a preliminary estimate.

68. The Advisory Committee inquired into the relationship between the programme of work and budget and medium-term planning. It was informed that the FAO Council had found that the approach to medium-term planning in the Joint Inspection Unit report was not suited to the needs of FAO; thus far, the Council had adhered to its earlier decision not to adopt the concept of a medium-term plan in which a rate of growth is determined in advance for future budgets. Instead, the organization's planning is done within the context of medium-term objectives and outlooks without budgetary parameters.

C. United Nations Educational, Scientific and Cultural Organization

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Appropriations for 1975-1976	169,992,000 a/
Revised appropriations for 1973-1974	134,206,100 a/ b/
Increase	35,785,900
	26.7%

a/ Net of staff assessment.

b/ Excluding $20,285 donations (included in the final appropriations for 1973-1974).

69. The Advisory Committee discussed the appropriations for 1975-1976 and related matters with a representative of the Director-General of UNESCO.

70. The Committee recalls that in its report to the General Assembly at its twenty-ninth session (A/9857, paras. 57-71), the Committee analysed the draft programme and budget of UNESCO for 1975-1976 in the amount of $164,877,400 for the operating budget and $4,786,600 for the investment budget, that is, a total of $169,664,000. However, the final estimates submitted to the General Conference of UNESCO at its eighteenth session - reflecting an exchange rate of 4.80 French francs to the United States dollar as against the rate of 4.90 French francs to the United States dollar used in the estimates analysed by the Committee - amounted to $173,517,000; $168,662,800 for the operating budget and $4,854,200 for the investment budget.

71. The approved programme and budget for 1975-1976 amounts to $169,992,000. The following table provides a comparison between the approved programme and budget for 1975-1976 and the revised appropriations for 1973-1974:

Part of the budget	1975-1976 approved budget	1973-1974 budget		1975-1976 increase over 1973-1974 recosted	
		Approved[a/]	Recosted[b/]		
	$	$	$	$	%
A. OPERATING BUDGET					
Part I. General policy . .	4,042,500	2,484,255	2,830,800	1,211,700	42.8
Part II. Programme operations and services. . . .	98,982,750	81,471,504	96,014,800	2,967,950	3.1
Part III. General administration and programme supporting services . . .	24,231,250	20,165,430	23,937,800	293,450	1.2
Part IV. Publications, conferences, languages and documents services. .	12,953,000	11,019,955	12,837,300	115,700	0.9
Part V. Common services. .	14,627,300	11,434,705	13,783,300	844,000	6.1
Subtotal Parts I-V . .	154,836,800	126,575,849	149,404,000	5,432,800	3.6
Part VI. Appropriation reserve	10,301,000	4,309,564	10,301,000	-	-
Total A - Operating budget	165,137,800	130,885,413	159,705,000	5,432,800	3.4
B. INVESTMENT BUDGET					
Part VII. Capital expenditure.	4,854,200	3,320,687	3,267,200	1,587,000	48.6
GRAND TOTAL.	169,992,000	134,206,100	162,972,200	7,019,800	4.3

a/ Adjusted so as to be comparable with 1975-1976 and including supplementary estimates totalling $14,252,100 approved for 1973-1974 by the General Conference at its third extraordinary session (October 1973).

b/ To reflect (i) staff costs and price levels expected to prevail on 31 December 1974 and (ii) an exchange rate of French francs 4.80 = $US 1.

72. At its ninety-seventh session in May 1975 and its ninety-eighth session in September-October 1975, the Executive Board approved transfers totalling $9,537,550 from the Appropriation Reserve to parts I-V of the regular budget to finance increases in emoluments of staff in the Professional and higher category (in keeping with the decision taken by the General Assembly in resolution 3358 (XXIX) and other increases. After these transfers, the breakdown of the net appropriations by object of expenditure becomes as follows:

	$
Salaries and wages	75,983,100
Common staff costs	18,730,400
Travel and transportation	9,868,500
Contractual and other services	19,229,100
Supplies and materials	2,743,000
Property and equipment	1,613,500
Special projects and activities	41,060,950
Appropriation Reserve (balance of)	763,450
	169,992,000

73. The amount of $169,992,000 is net of staff assessment. After deducting miscellaneous income estimated at $14,212,000 (including $13 million from UNDP for agency overhead costs), there remains a net amount of $155,780,000 to be assessed on Member States. This is an increase of 33.8 per cent over the assessment for 1973-1974 ($116,440,000).

74. The Advisory Committee was informed that the percentage increases (over the revalued provision for 1973-1974) approved by the General Conference for the various programme sectors are:

	%
Education	2.8
International Bureau of Education	2.0
Natural sciences and their application to development	2.8
Social sciences, humanities and culture	3.3
Communication	1.1
Intersectoral programmes on human rights and peace and on population	122.5
International standards, relations and programmes	15.2

75. UNESCO practises semi-full budgeting, and the appropriations do not include provision for inflation occurring in the second year of the biennium. The Advisory Committee was informed that the Appropriation Reserve ($10.3 million in 1975-76) is used principally for cost increases. The authority vested in the Executive Board to approve supplementaries of up to 5 per cent of the approved budget (that is, approximately $8 million in 1975-1976) is designed to deal with the impact of currency fluctuations.

76. The Advisory Committee understands that additional budgetary requirements have arisen in 1975 as a result of the fact that the United States dollar has been consistently below the rate of French francs 4.80 used in the appropriations. To meet this situation, the Director-General has frozen recruitment to all vacant and new posts until at least 1 January 1976. Other austerity measures include a reduction of travel allocations by about 25 per cent, and a ban on the engagement of consultants and temporary staff except in cases when the necessary expertise does not exist in the secretariat. These economy measures, together with absorption within the approved budget of part of the additional costs of United States dollar depreciation and inflation, are expected by UNESCO to result in a saving of over $10 million in 1975-1976. None the less, at the time the Advisory Committee discussed the question with the representative of the Director-General of UNESCO, the Committee was informed that it was likely that supplementary appropriations would be required. This was confirmed to the Executive Board at its ninety-eighth session (September-October 1975). The Director-General will be submitting to the Board at its ninety-ninth session in the spring of 1976 a report on the budgetary and financial situation of the organization in the light of further developments.

77. The Advisory Committee was informed by UNESCO that the austerity measures applied in 1973-1974 had meant that the organization's growth had been of the order of 1 per cent as against a target of about 5 per cent. If UNESCO were expected to absorb the extra costs of inflation and currency fluctuations in 1975-1976, the growth rates built into the appropriations for the biennium (see para. 74 above) would be jeopardized. In the meantime, the Director-General had sent a list of all UNESCO projects to the member States and had requested them to indicate which ones could, in their view, be deleted or reformulated in the interest of economy.

78. The Committee was also informed that consideration was being given in UNESCO to the introduction of full budgeting or to increasing the limit on the authority of the Executive Board to approve supplementaries from 5 per cent of the budget to 8 or 10 per cent.

79. The actual establishment of UNESCO in 1974 consisted of 2,151 posts (excluding 232 guards and maintenance posts) - 13 posts less than reported to the Advisory Committee last year (A/9857, para. 69). The authorized establishment for 1975 and 1976 is 2,347 and 2,386, respectively (including in each case a 4 per cent margin for meeting programme requirements). The number of guard and maintenance posts is to increase by four. The Committee notes that the authorized establishment of UNESCO for 1976 (excluding guards and maintenance posts) is 235

posts or 11 per cent larger than the actual establishment in 1974. In view of the austerity measures referred to in paragraph 76 above, the Advisory Committee expects that the actual increase in the current biennium will be less than the authorized limit.

80. The 1974 General Conference approved the construction of a sixth building for UNESCO at a cost of approximately 97 million French francs; it is scheduled to be inaugurated on 1 January 1977. The Advisory Committee inquired whether the new building was still needed now that the growth of the staff was expected to be less than originally envisaged. The Committee was informed that the need for the new building was as pressing as ever, partly because of the policy of furnishing office space to delegations of member States. The Committee understands that a report on UNESCO headquarters accommodation prepared by the Joint Inspection Unit will be submitted to the governing organs of the organization.

81. On the basis of information received from UNESCO last year, the Committee reported that the general structure of the UNESCO secretariat would be maintained in 1975-1976, with the exception of certain refinements (A/9857, para. 71). The Committee understands that two changes have recently been put into effect: one would centralize the functions of co-ordination with the United Nations and the specialized agencies, and the other would establish an inspectorate reporting directly to the Director-General, which would assume internal audit, management and inspection functions.

82. The 1974 General Conference of UNESCO decided to double the size of the Working Capital Fund of UNESCO from $4 million to $8 million.

D. International Civil Aviation Organization

Gross appropriations for 1976[a/]		$18,101,000
Gross appropriations for 1975[a/]		17,026,000
	Increase	$ 1,075,000
		6.3 per cent

a/ As revised in 1975 (see para. 85 below).

83. The Advisory Committee discussed the budget for 1976 and related matters with a representative of the Secretary-General of ICAO.

Revised appropriations

84. Every three years, the Assembly of ICAO approves appropriations separately for each year of the succeeding triennium. At its twenty-first session in September 1974, the Assembly of ICAO approved the following gross appropriations:

1975	$16,426,000
1976	$17,451,000
1977	$18,421,000

In addition, the Assembly authorized the Council to make effective conditional appropriations and assessments to cover revised conditions of service for staff in the Professional and higher categories then under consideration by the United Nations General Assembly, following recommendations by the International Civil Service Advisory Board and the Advisory Committee on Administrative and Budgetary Questions. The amounts involved were: 1975 - $1,097,000; 1976 - $1,197,000; 1977 - $1,250,000 (all gross).

85. The United Nations General Assembly at its twenty-ninth session approved a 6 per cent salary increase, as well as allowance increases for officials in the Professional category and above with effect from 1 January 1975. Accordingly, following action by the Council early in 1975 on the revised conditions of service adopted by the United Nations, the appropriations for 1975, 1976 and 1977 were revised as follows (in gross amounts):

1975	$17,026,000	(increase of $600,000 gross)
1976	18,101,000	(increase of $650,000 gross)
1977	19,101,000	(increase of $680,000 gross)

The budget for 1976

86. Compared with the revised appropriations for 1975, as described in paragraph 85, the budget for 1976 represents an increase of $1,075,000 or 6.3 per cent. The two major areas of increase are in personnel services and the contingency provision under "other expenditures".

87. The Advisory Committee was informed that, in calculating the original estimates for 1975, 1976 and 1977, ICAO assumed, under a separate part of the budget (contingencies), inflation rates of 5 per cent a year for personnel costs and 4 per cent a year for the cost of goods and services. Although actual inflation rates have thus far been exceeding that forecast, ICAO believes that it has adequate resources to cope with inflation, at least for 1975 and 1976. The Advisory Committee understands that part of the inflationary impact will be offset through savings in personnel costs occasioned by a higher than anticipated vacancy rate attributable to delays in recruitment.

88. The Assembly made provision for eight new posts to be added in 1976; their cost will account, in large part, for an increase of $708,300 in personnel services. 4/ The Advisory Committee inquired as to whether posts which have not yet been filled could be utilized for the new staffing requirements, and was informed that efforts are continuing to fill the posts currently vacant, as staff deployment in the areas to which these posts relate is necessary to perform functions under the approved work programme.

89. Of the eight additional posts for 1976, four are Professional - three for the regional offices and one for the Air Transport Bureau. As shown in the table below, the total regular ICAO establishment for 1976 will thus be 696 as compared with 688 for 1975.

Number of established posts, 1974-1975

Year	Regular programme a/ Total	Professional category	General Service and unclassified category
1974	655	256	399
1975	688	262	426
1976	696	266	430
Increase 1976 over 1975	8	4	4

a/ Excludes posts for administrative and operational services costs of the development programme.

4/ The increase is also attributable to normal annual increments, an increase in temporary assistance for meetings and a decrease in the reduction for turnover of personnel in 1976 as compared to 1975.

90. An addition of $385,000 for the contingency provision under "other expenditures" represents the other major increase in the ICAO budget for 1976. The contingency provision is intended to meet increased costs related to salaries and goods and services. 5/ The reason for the increase in the contingency provision for 1976 is to provide for further inflationary pressures expected in that year.

New headquarters premises

91. The Advisory Committee was informed that ICAO moved into its new headquarters premises in July 1975. As pointed out in previous reports of the Committee, these premises were built by a private developer and are leased to ICAO. The Canadian Government contributes $1,218,000 a year towards the rent, which amounts to about $1,400,000.

Extrabudgetary funds

92. The Advisory Committee understands that the funds which finance extrabudgetary activities (UNDP and funds-in-trust) are kept separate from funds provided by the regular budget, and that the regular budget is, to the extent possible, fully reimbursed for all services provided by the regular programme to extrabudgetary activities. In this connexion, the Committee was informed that ICAO has found generally adequate the 14 per cent rate at which UNDP reimburses the overhead costs of the executing agencies. (The UNDP flexibility arrangements have been invoked only twice.) The net administrative and operational services cost of activities financed by extrabudgetary funds has been estimated at $1,623,000 in 1976 as compared to $1,534,000 in 1975.

5/ In prior triennia provision for contingency expenses has related only to personnel costs. Because of significant inflation, the twenty-first Assembly broadened the provision to include other expenses.

E. Universal Postal Union

	Swiss francs	$US
Net estimates 1976	12,550,100	4,682,873[a/]
Initial net estimates, 1975	11,039,400	3,767,713[b/]
Increase	1,510,700	915,160
	13.7 per cent	24.3 per cent

a/ At SwF 2.68 = $US 1.

b/ At SwF 2.93 = $US 1.

Revised appropriations for 1975

93. At its session in May 1975, the Executive Council of UPU approved revised gross appropriations amounting to 13,479,100 Swiss francs ($5,029,515), 6/ an increase of 617,200 Swiss Francs ($230,298) over the initial appropriations for 1975. The increase is attributed to new activities (the introduction of a new accounting system for international reply coupons and publication of the Acts of the seventeenth Universal Postal Congress), and to the effects of inflation. Because estimates of revenue in 1975 have risen by 45,700 Swiss francs ($17,052), the net expenditure increase is 571,500 Swiss Francs ($213,246).

Summary analysis of the budget for 1976

94. The budget of the Union is subject to annual limits for net expenditure fixed in five-year cycles by the Universal Postal Congress. The seventeenth UPU Congress held at Lausanne in 1974 fixed the ceiling for the years 1976-1980.

95. The 1976 estimated appropriations (gross) of 14,168,700 Swiss francs ($5,286,828) show an increase of 689,600 Swiss francs ($257,313) or 5.11 per cent over the revised estimates for 1975. The increase can be attributed to the effects of inflation. Because of an estimated decrease in income (see para. 98 below), the 1976 net estimates of 12,550,100 Swiss francs ($4,682,873) show an increase of 939,200 Swiss francs ($350,447) or 8.1 per cent over revised net appropriations for 1975.

96. It is estimated that staff expenses for 1976 will increase by 543,800 Swiss

6/ All dollar amounts are shown at the rate of Swiss francs 2.68 to $US 1.

francs ($202,910), or 4.03 per cent over 1975 revised appropriations. This is due to normal within-grade increases and promotions, as well as to increases occasioned by adjustments in the United Nations common system of salaries and allowances. The regular establishment will consist of 126 posts in 1976, which is the same as approved in the revised estimates for 1975 (initial estimates for 1975 provided for 124 posts).

97. General Services estimates for 1976 show an increase of 145,800 Swiss francs ($54,403), or 4.20 per cent over 1975. The 1975 publications programme of UPU was particularly heavy owing to the printing of the Acts of the Seventeenth Congress; there is expected to be no diminution of programme in 1976 (or in 1977) owing to the republication of the International List of Post Offices (Nomenclature internationale des Bureaux de poste) for which the total cost is estimated at 630,000 Swiss francs ($235,075).

98. Contributions from member States constitute the main source of financing for the UPU budget; they account for approximately 86 per cent of the budget for 1975 and 89 per cent for 1976. The balance is made up by supplementary income, which consists mainly of compensation for expenditure, which, for a variety of reasons (the UPU Constitution and decisions of UPU organs), cannot be deducted directly from gross expenditure. Supplementary income includes proceeds from the sale of UPU publications, the reimbursement by UNDP of part of UPU overhead costs, the cost of facilities provided by the International Bureau to the language groups (French is the only official language for UPU) and income from the renting to third parties of premises and conference rooms in its administrative building. The 1976 supplementary income estimates of 1,618,600 Swiss francs ($603,955) are 249,600 Swiss francs ($93,135) less than the revised estimate of 1,868,200 Swiss francs ($697,090) for 1975. The decrease is attributable to a conservative forecast of the level of technical assistance activity on which the amount of UNDP overhead cost reimbursements is predicated.

Extrabudgetary expenditure

99. The costs of producing Union documents in languages other than French are considered extrabudgetary by UPU, since these costs are fully met by member States requesting the translations. The following table gives a breakdown of the net expenditure on translation activities in 1975 and the estimates for 1976.

	Budget for 1975 $US[a/]	Budget estimates for 1976 $US[a/]
Net expenditure		
(a) English language group	394,216	442,537
(b) Arabic language group	111,194	119,030
(c) Spanish language group	46,567	52,910
Total extrabudgetary expenditure	551,977	614,477

a/ Converted from Swiss francs at the rate of SwF 2.68 to $US 1.

F. World Health Organization

Effective working budget 1976		$137,100,000
Initial effective working budget 1975[a/]		119,310,000
	Increase	17,790,000
		14.91 per cent

a/ See para. 101 below.

100. The Advisory Committee discussed the programme and budget of the World Health Organization for 1976 and other related matters with representatives of the Director-General of the Organization.

Supplementary appropriations for 1975

101. In May 1975, the twenty-eighth World Health Assembly considered and approved supplementary estimates for 1975 in the amount of $4,070,000. This additional requirement, which is to be financed from available casual income, is to cover the increase in salaries and allowances of Professional and higher categories of staff approved by the United Nations General Assembly at its twenty-ninth session with effect from 1 January 1975. The total effective working budget for 1975 is thus $119,310,000.

102. In view of the uncertainty of the international monetary situation, and as the Director-General was unable to identify any source of financing which would not involve additional assessments on members, no supplementary budget for 1975 was proposed to cover the anticipated budgetary shortfalls of approximately $9 million in that year resulting from currency fluctuation and inflation. The Committee has been informed that it has therefore been necessary to introduce a number of drastic economy measures at headquarters and in the field; in view of the gravity of the financial situation confronting the organization in 1975, the Director-General addressed a special appeal to all members and associate members for additional voluntary contributions to the Voluntary Fund for Health Promotion for the purpose of implementing activities included in the regular budget for 1975 which otherwise would have to be reduced or cancelled.

Biennial budget cycle

103. The programme budget document submitted to the twenty-eighth World Health Assembly covers, for the first time, a biennial period - the years 1976 and 1977. This presentation follows upon the World Health Assembly decision in 1973 to introduce a biennial budget cycle. However, the budgetary and financial aspects

of the biennial programme will continue to be dealt with on an annual basis pending the coming into force of the relevant constitutional amendments. Consequently, the Advisory Committee understands that the next World Health Assembly, to be held in 1976, will have before it a short document revising and bringing up to date the programme budget for 1977, upon which it will set the budget level and appropriate funds for that year.

Summary analysis of the 1976 budget

104. The 1976 effective working budget, as approved by the twenty-eighth World Health Assembly, totals $137,100,000. The original estimates proposed by the Director-General amounted to $124,450,000. However, as a result of the decision to increase salaries and allowances of Professional and higher categories of staff (referred to in para. 101 above) and owing to continuing currency fluctuations, it became necessary to submit additional requirements of $4,160,000 and $8,490,000 respectively.

105. The effective working budget for 1976 represents an increase of $17,790,000 or 14.9 per cent over the adjusted level for 1975. The Committee notes, however, that no supplementary budget had been proposed to cover the estimated additional requirements of $9,590,000 for effects of currency fluctuations in 1975 (see para. 102 above); if supplementary appropriations in that amount had been added to the 1975 budget in order to carry out the 1975 programme under the regular budget, the increase in 1976 over 1975 would have been 6.36 per cent. The Advisory Committee understands that the estimated additional requirements were calculated at the rate of 2.51 Swiss francs to $US 1, and notes that the position of the dollar with respect to the Swiss franc has since improved. This being so, the additional requirements for the effects of currency fluctuations in 1975 are likely to be lower than the figure of $9.6 million referred to above, and the increase in 1976 over 1975 will be correspondingly higher than 6.36 per cent.

106. Nearly all of the increase for 1976 is attributed by WHO to the higher costs of maintaining the level of operations approved for 1975; the Committee has been informed that the approved budget for 1976 provides for no real programme growth. According to WHO, nearly one half of the increase in 1976 relates to currency instability and is due almost entirely to an adjustment in the budgetary rate of exchange between the United States dollar and the Swiss franc from 3.23 to 2.51 Swiss francs per one United States dollar.

Staff

107. The following table, as provided by WHO, shows the number of posts for headquarters and field activities for the years 1971-1976:

	1971	1972	1973	1974	1975	1976
Headquarters	1,174	1,165	1,209	1,237	1,235	1,245
Field activities	2,121	2,135	2,221	2,201	2,174	2,153
	3,295	3,300	3,430	3,438	3,409	3,398

/...

108. The table appears at first glance to show a net reduction of 11 posts between 1975 and 1976. In actuality, there is a net decrease of 33 posts in 1976 from figures initially included in the programme and budget for 1975. This apparent discrepancy is due to the fact that the figures now provided by WHO for 1975 do not reflect the staff levels previously reported, but reflect action taken, subsequent to budget approval, under the Director-General's authority to take into account the latest changes in priorities and requirements of Governments requesting assistance. In accordance with WHO practice, the figure which now appears for 1975 is subject to final revision to reflect the number of posts actually required to implement 1975 programmes.

Resources of the Integrated International Health Programme

109. In addition to its regular budget, WHO directly or indirectly administers funds from several sources. The following table, supplied by WHO, gives the number of posts and the total estimated costs of activities financed or planned to be financed for 1974, 1975 and 1976 and the corresponding figures for the regular budget.

Integrated International Health Programme

Number of posts, estimated obligations and sources of financing

	Number of Posts			Obligations	Estimated obligations	
	1974	1975	1976	1974	1975	1976
				$US	$US	$US
Regular WHO Budget (Effective Working Budget)	3,438	3,409	3,398	108,406,404	119,310,000	137,100,000
Voluntary Fund for Health Promotion	82	85	77	18,247,556	19,319,520	20,849,910
International Agency for Research on Cancer	109	112	112	3,809,145	3,192,000	3,677,000
Pan American Health Organization	1,291	1,294	1,289	25,616,555	29,207,709	31,005,480
United Nations Development Programme	455	440	348	16,103,334	26,665,085	17,094,829
United Nations Environment Programme	-	-	-	81,847	387,300	276,200
United Nations Fund for Drug Abuse Control	5	5	5	89,749	574,800	566,900
United Nations Fund for Population Activities	176	168	155	11,250,583	18,881,635	17,812,054
Funds-in-trust	385	539	712	4,996,677	9,075,965	11,508,210
Special Account for Servicing Costs	6	6	6	244,842	227,310	247,130
TOTAL	5,947	6,058	6,102	188,846,692	226,841,324	240,137,713

110. WHO does not administer the funds provided by UNICEF for projects that are jointly assisted by the two organizations. The approximate levels of assistance which UNICEF has indicated may be expected to be allocated for supplies and equipment and for stipends for the training of local health personnel to projects jointly assisted by WHO and UNICEF are: $40 million (1974); $38 million (1975); $37 million (1976).

111. The Committee notes that problems of presentation of extrabudgetary activities, to which it called attention last year (A/9857, para. 118), remain unsolved.

112. Although the approach has been changed to include in the estimates not only the projects for which extrabudgetary financing was assured at the time of preparation of the proposed programme budget (as had been done previously), but also those for which such financing was expected, the Committee was informed that WHO still could not avoid the problem of non-comparable figures.

113. An example of this problem may be found through reference to the data for UNDP given in the above table. The level of project approval increases from $16 million obligated in 1974 to an estimate of nearly $27 million in 1975 and then drops again to an estimated $17 million for 1976. This fluctuation may be attributed to the difficulty of forecasting and assessing, within a biennial estimate, the level of UNDP project activity which operates on a five-year cycle, during which period projects can be approved at any time.

114. Another manifestation of this difficulty occurs in WHO estimates of reimbursement from UNDP for overhead costs, which are as follows: funds disbursed in 1974 - $2.3 million; estimated obligations in 1975 and 1976 - $1.8 million and $2.3 million, respectively. It appears to the Committee that the projected high level of project approval for 1975, referred to in paragraph 14 above, is offset to a large extent by the rather conservative forecast for the effective level of project implementation, as is implied in the aforementioned estimate of reimbursement for 1975.

115. WHO believes that these difficulties of estimation and presentation can be resolved by the harmonization of the planning and programming processes employed throughout the United Nations system. The Advisory Committee understands that ACC has set up a task force under the auspices of CCAQ to study a number of questions relating to harmonization of programme budget presentation, including the treatment of extrabudgetary resources. The Advisory Committee trusts that an effective solution, compatible with the operational requirements of both the funding and the executing agencies, will soon be developed.

116. The Committee was informed that a study of the impact of voluntary funds on WHO, alluded to in the Committee's report of last year (A/9857, para. 122), has been completed in draft form and that a final report is due in early 1976.

Other

117. The twenty-eighth World Health Assembly considered the question of headquarters accommodation, which had been deferred by the twenty-sixth and

twenty-seventh Assemblies, and decided to authorize the construction of a new prefabricated building containing about 138 offices on a site belonging to the organization and to defer further a decision on the construction of a larger, architect-designed extension to the headquarters building. Work on this new prefabricated building is now under way and is expected to be completed towards the middle of next year. The estimated cost of the building, approximately 5,600,000 Swiss francs, will be met partly from the reserves accumulated in the Real Estate Fund for the construction of a permanent extension to the headquarters building, the balance being covered by a further appropriation to the Real Estate Fund of available casual income.

118. The World Health Assembly also considered various proposals for the immediate or phased introduction of additional working languages in WHO. It was decided to request the Director-General to submit to the next meeting of the Executive Board and of the World Health Assembly a comprehensive study on the progressive implementation of Chinese as a working language of the Board and the World Health Assembly. On the understanding that the Arab States members of WHO would meet collectively the associated costs during the first three years of operation, the World Health Assembly decided, with immediate effect, to include Arabic among the organization's working languages. Finally, the World Health Assembly supported in principle the adoption of German as a working language of the WHO Regional Committee for Europe and requested a study of the material and financial implications of a phased extension of the use of the German language in the WHO Regional Office in Europe.

G. International Telecommunication Union

	Swiss francs	$
Net budget, 1976[a/]	50,117,900	18,700,709
Initial net budget, 1975[a/]	47,121,000	17,582,462
Increase	2,996,900	1,118,347
	6.36%	6.36%

a/ Total for the regular, technical co-operation and supplementary publications budgets minus miscellaneous income. The budgets of ITU are expressed in Swiss francs and the United States dollar figures are based on an exchange rate of 2.68 Swiss francs = $US 1.

119. The Advisory Committee discussed the budget appropriations of ITU for 1976 and other related matters with a representative of the Secretary-General of ITU.

Revised appropriations for 1975

120. At its thirtieth session in 1975, the Administrative Council approved additional credits in the 1975 budget amounting to SwF 2,154,700 ($803,993), to cover the additional expenditure entailed by changes introduced in the conditions of employment under the United Nations common system of salaries and allowances (SwF 1,707,700/$637,201), additional credits for a Regional Administrative Conference (SwF 327,000/$122,015) and other expenditure (SwF 120,000/$44,776).

Summary analysis of the budget for 1976

121. At its thirtieth session, the Administrative Council also approved the budget for 1976. Expressed on a gross basis, the three budgets for 1975 and 1976 can be broken down as follows:

	1975 revised appropriations	1976 appropriations
	$	$
Regular budget	18,330,112	18,743,097
Technical co-operation - special accounts budget a/	2,473,395	2,730,299
Supplementary publications budget b/	2,449,217	2,221,343
	23,252,724	23,694,739

a/ Financed by contributions from UNDP to cover the costs of administering technical assistance projects.

b/ Financed by the sale of documents published by the Union.

122. Considered as a whole, the 1976 budgets are 1.90 per cent more than the revised budgets for 1975. The regular budget has increased by 2.25 per cent, the technical co-operation-special accounts budget (administrative costs) by 10.39 per cent (but see para. 127 below) and the supplementary publications budget has decreased by 9.30 per cent.

123. Budget increases are mainly due to additional costs entailed by changes in the conditions of employment under the United Nations common system. The creation of eight new posts further contributed to the increase in the technical co-operation budget. The decrease in the publications budget is due to a lower level of the publications programme.

Staff

124. Staff costs in 1976 are estimated at SwF 45,009,000 ($16,794,403) compared with SwF 43,603,300 ($16,269,888) in 1975. The increase thus amounts to SwF 1,405,700 ($524,515) or 3.22 per cent, and is due mainly to changes in the conditions of employment under the common system of the United Nations and the specialized agencies. The number of established posts fixed by the Administrative Council for 1976 is 617, a net increase of 6 over the level for 1975. Of these posts, 492 are charged to the regular budget (a decrease of 2 posts from 1975), 102 to the technical co-operation budget (an increase of 8 posts over 1975) and 23 to the supplementary publications budget (unchanged).

125. ITU has no working capital fund; nor does it apply the "full budgeting" principle. Increases in salaries or allowances which may be decided after the approval of the regular budget by the Administrative Council must therefore be met by withdrawals from the Reserve Account.

126. In this connexion, the Committee understands that, in accordance with the relevant legislative decisions, the Reserve Account (under the budget heading "other budget estimates") has been increased by SwF 570,000 ($212,686) from SwF 1,570,000 ($585,821) to SwF 2,140,000 ($798,507); the increase includes some SwF 300,000 ($111,940) available as the result of savings in staff costs due to currency fluctuations.

Other

127. In its report of last year (A/9857), the Advisory Committee referred to implications for ITU of the situation in which the Union's administrative and support expenses for technical assistance activities had risen past the level of reimbursement by UNDP. 7/ As the relevant ITU legislation requires that all expenses incurred in connexion with UNDP activities be borne by UNDP, the 1973, 1974 and 1975 budgets are in deficit, and it is expected that a similar situation will arise in 1976. The level of the deficit was SwF 1,212,915 in 1974 and is estimated at SwF 2,064,815 for 1975 and SwF 3,605,215 for 1976. If a solution is not found to this problem, it will be necessary for ITU to consult its members regarding the way in which this deficit can be carried.

128. In a related development, the Committee was informed that the Administrative Council had decided to charge the expenses related to the office space occupied by the technical co-operation headquarters staff to the regular budget, rather than to the Technical Assistance Special Account. The level of the latter was thus reduced by approximately SwF 300,000 ($111,940) in 1975.

7/ As ITU no longer enjoys the benefit of the flexibility of arrangements for the purposes of UNDP overhead cost reimbursement, the level of such reimbursement to the Union is at the standard rate of 14 per cent.

H. World Meteorological Organization

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Approved budget 1976[a/]	9,401,500
Approved initial budget 1975[a/]	7,579,540
Increase	1,306,806

a/ Does not include staff assessment.

Supplementary estimates for 1975

129. The WMO Executive Committee approved supplementary estimates for 1975 of $1,100,000 8/ to be financed by a drawing of $300,000 from the General Fund, and an assessment of $800,000 on member States. Earlier, it had also decided to reappropriate the unobligated balance of appropriations as at 31 December 1974, amounting to $206,806. The total expenditure budget for 1975 thus becomes $8,886,345. The supplementary estimates were necessitated by (a) salary increases for regular staff and for conference and other short-term staff as the result of changes in the United Nations salaries and allowances, amounting to $1,249,000; (b) increased costs, amounting to $300,000. These increases are partially offset by savings in the annual budget for 1975 amounting to $449,000, thus leaving a net requirement of $1,100,000.

130. The Committee notes that the $800,000 supplementary assessment referred to in the preceding paragraph will represent requirements related to increases in salary and allowances only, and will thus be levied in accordance with the relevant resolutions for the sixth financial period. Similar resolutions have been approved for the seventh financial period (see para. 131 below).

Expenditure authorized for 1976-1979

131. The WMO Congress, which meets every four years, establishes a budgetary ceiling for the ensuing four-year period, and individual budgets are then adopted by the Executive Committee within the framework of the ceiling. The Seventh World Meteorological Congress held in 1975, approved a maximum expenditure of $40,542,000 (net) for the period 1976-1979 inclusive, which constitutes the seventh financial period of the organization. This sum was based on salary scales, prices and exchange rates prevailing on 1 February 1975. Authority was also given to

8/ This was subsequent to approval by the Seventh Congress of an increase in the same amount, of their authorized maximum expenditure for the sixth financial period.

the Executive Committee to incur necessary expenditures in addition to the amount indicated above to cover increases in staff salaries and allowances consequent to changes in the United Nations common system of salaries and allowances. Further, the Executive Committee was authorized to adjust the maximum expenditures upwards or downwards to take account of substantial changes in exchange rates. It was also decided to authorize the Executive Committee to incur other necessary expenditures not exceeding a total of $500,000, which may be agreed by member States of WMO in a postal ballot.

Summary outline of the 1976 budget

132. In accordance with the practice of establishing annual budgets within the ceiling for each four-year period, the WMO Executive Committee at its twenty-seventh session adopted a budget of $9,401,500 (net of staff assessment) for 1976. This represents approximately 23 per cent of the maximum expenditures approved by the Congress for the seventh financial period (see para. 131 above), and is an increase of $515,154 (5.8 per cent) over the revised estimates for 1975. The major areas of increase (as well as the reasons for the increase) are as follows:

		Estimated increase (decrease) $
1.	Staff	
	(a) World Weather Watch	107,000
	(b) Agrometeorology project in aid of food production	41,500
	(c) Meteorological applications	41,500
	(d) Regional Office for Africa	31,000
		221,000
2.	Technical programmes and related activities . .	256,500
3.	Technical co-operation, regional and training programmes	183,500
4.	Supporting services and administrative costs	(146,000)
	TOTAL . .	515,000

Staff

133. The 1976 estimates provide for a regular establishment of 229 for 1976, an increase of 8 posts over 1975. The new posts will be distributed as follows:

(a) Creation of six new posts for technical programmes (4 Professional and 2 General Service);

(b) Restoration of one post (Professional), previously suppressed for the Regional Office for Africa;

(c) Conversion of one General Service post in the Voluntary Assistance Programme (VAP) into an established post in the secretariat.

Extrabugetary activities

134. Extrabudgetary resources are expected to be made available to WMO during the next financial period (1976-1979) by donor members and international organizations to finance the following programmes and activities:

(a) World Weather Watch (WWW) Programme. Members are invited to continue the technical assistance programmes on multilateral and bilateral levels, as well as through the Voluntary Assistance Programme (VAP), which is the most appropriate assistance programme for the implementation of the WWW.

(b) WMO/ICSU Global Atmospheric Research Programme (GARP). GARP will continue to be a joint enterprise between WMO and the International Council of Scientific Unions (ICSU).

(c) Weather Modification Programme. With the collaboration of UNEP and other international organizations, including UNDP and FAO, WMO will endeavour to render sound scientific and technical advice to members on weather modification activities.

(d) Meteorology and Environment Programme. Collaboration with UNEP and all United Nations agencies concerned will hopefully be extended in the field of prevention or reduction of environmental pollution through the development of the Global Environment Monitoring System.

(e) Technical Co-operation and Training Programme. It is hoped that the level of assistance under UNDP would increase appreciably in view of the expected increase in the indicative planning figure for the countries during the next UNDP programming cycle, 1977-1981. On the basis of the experience during the current WMO financial period (1972-1975), the assistance under VAP could also be expected to increase considerably.

(f) Development of meteorological and hydrological services in Sudano-Sahelian countries. This project will hopefully be developed through UNDP assistance, supplemented by assistance from other external resources made available minaly by various donor members.

(g) North Atlantic Ocean Stations (NAOS). The financing on an interim basis of the operations conducted under this scheme has been agreed to by various countries, pending the signature by all contracting parties of a new Joint Financing Agreement on NAOS, to be administered by WMO.

(h) Publications programme. This programme will continue to be financed partly by allocations from the regular budget and partly by the revenue deriving from the sale of the WMO publications (see para. 137 below).

Working Capital Fund

135. Congress reviewed the Working Capital Fund and decided to establish the principal of the Fund for the seventh financial period (1976-1979) at $US 2 million. The principal of the Fund at the end of 1974 was $878,336. The Sixth Congress, held in April 1971, had decided that the amount which members would be required to advance to the Working Capital Fund during the sixth financial period (1972-1975) would be 5 per cent of the maximum expenditures authorized for the four years of the period, but not exceeding $US 1 million.

Other funds

136. The Publications Fund, established to meet the cost of production of WMO publications, was $193,384 at the end of 1974. It is anticipated that the carry-over to the next financial period will be of the order of $150,000. The financing of this Fund during the next financial period (1976-1979) will continue to be made by allocations from the regular budget, as well as by the revenue deriving from the sale of WMO publications. This Fund is being used for the production of the basic documents of WMO, the official records of Congress and the Executive Committee, the technical publications, the annual report of WMO and the reports of sessions of regional associations and technical commissions, as well as the quarterly WMO Bulletin.

137. The Voluntary Assistance Fund is part of the Voluntary Assistance Programme (VAP) which consists of two components, namely the Voluntary Assistance Fund (VAP (F)) and the Equipment and Services Programme (VAP (ES)). The annual contribution to the VAP (F) has exceeded $400,000 and the total contribution to the Fund by 51 countries during 1968-1974 was $2,819,455.

138. WMO is maintaining on its records a number of other funds of various importance, including a number of funds-in-trust resulting mainly from bilateral agreements within VAP (ES) activities.

I. Inter-Governmental Maritime Consultative Organization

Gross budget, 1976-1977	$9,911,900
Initial approved gross budget, 1974-1975[a/]	5,955,500
Increase . . .	3,956,400
	66.4 per cent

a/ The IMCO budget for the biennium 1974-1975 in an amount of $5,955,000 gross was approved by the IMCO Assembly at its eighth session. This represents an increase of $746,300 over the original estimate of $5,209,200 gross as adopted in May 1973 by the IMCO Council at its thirtieth session and noted by the Advisory Committee (A/9578, para. 116).

139. The Advisory Committee discussed the budget of IMCO and related questions with the Secretary-General of the organization.

Budgetary situation in 1974-1975

140. As noted above, the IMCO budget for the biennium 1974-1975 was approved by the IMCO Assembly at its eighth session in the amount of $5,955,500, of which $2,924,000 was for 1974 and $3,031,500 for 1975. The actual expenditure in 1974, however, amounted only to $2,619,511, this being due mainly to savings on vacant posts and, to a lesser extent, to the favourable pound/dollar exchange rate situation during the year as compared with the rate at which the budget was costed. There is therefore an amount of $3,335,989 available for 1975, including the carry-over of unobligated balances of appropriations from 1974. This amount, however, is likely to be insufficient to cover the budgetary expenditure in 1975.

141. According to usual practice, the Secretary-General reported to the IMCO Council at its thirty-fourth session on the budget prospects for 1975, on the basis of obligations incurred during the first three months of the year and a projection for the remaining nine months. At the time, it appeared, owing mainly to unforeseen cost increases relating to meetings, travel, salaries and additional accommodation, that a shortfall in the range of $250,000 to $300,000 for the year was unavoidable. The Council, in principle, authorized the Secretary-General, subject to a further report on budgetary prospects in 1975 to be submitted to its eighth extraordinary session, to adopt the same procedure for dealing with supplementary estimates in 1975 as was followed in 1973. This would consist of an authorization of supplementary appropriations for 1975 up to a certain maximum (that is, $300,000), the assessment on member States to be made only after the final results for the year are known.

Summary analysis of the budget for 1976-1977

142. The Secretary-General's programme and budget proposals as originally submitted by him to the IMCO Council at its thirty-fourth session in June 1975 amounted to $11,419,000. Having considered these proposals, the Council decided that they should be reduced by the equivalent of at least 5 per cent, that is, by at least $571,000. Accordingly, in August 1975, the Secretary-General submitted revised proposals in an amount of $10,836,100 ($583,000 less than his original figure). The revised proposals reflected reductions in the meetings programme ($290,500), travel to meetings ($10,000) and staff costs ($282,500 - as a result of delayed recruitment to new posts and to certain vacant existing posts). Following a review of movements in the pound sterling/United States dollar exchange rates, and of developments and projections as to the rate of inflation in 1975, 1976 and 1977, the Secretary-General submitted further revisions in October 1975. The final revised estimates, which are being considered by the IMCO Council at its eighth extraordinary session, amount to $9,911,900 gross (or $924,200 less than the revised estimates submitted in July 1975). The Council's recommendations will be submitted to the ninth IMCO Assembly in November 1975. A breakdown of this amount by budget year and by section, as well as a comparison of the totals for the biennia 1974-1975 and 1976-1977, is given in the table below:

INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION

Budget summary by main appropriation lines

Section	1974-1975 biennium	1976-1977 biennium revised estimates			Increase/decrease 1976-1977 from 1974-1975	
		1976	1977	Total		
	$	$	$	$	$	%
I. Meetings	951 400	817 000	868 600	1 685 600	734 200	77.2
II. Personnel	3 752 700	2 883 100	3 360 700	6 243 800	2 491 100	66.4
III. General services .	808 700	635 500	754 300	1 389 800	581 100	71.9
IV. Printing and publications . . .	10 200	18 900	22 000	40 900	30 700	301.0
V. Other budgetary provisions	432 500	293 900	257 900	551 800	119 300	27.6
TOTAL (Gross) . .	5 955 500	4 648 400	5 263 500	9 911 900	3 956 400	66.4
LESS: Miscellaneous income	60 000	60 000	60 000	120 000	60 000	100.0
TOTAL (Net) . . .	5 895 500	4 588 400	5 203 500	9 791 900	3 896 400	66.1

143. As can be seen from the table, the 1976-1977 proposed budget represents, on a net basis, an increase of $3,896,400 or 66.1 per cent. The Advisory Committee was informed that the very large increase in the over-all size of the budget was attributable to heavy inflationary pressures, to the proposed increase in the size of IMCO's staff (see para. 148 below) and to additional costs of accommodation (see para. 146 below).

144. The Committee was informed that cost increases are based on an estimated 24 per cent rate of inflation in 1975, and further inflationary increases of 11 per cent and 9 per cent in 1976 and 1977. The rate of exchange used for the purpose of the new revised budget calculations is $US 2.03 = £1 (this is the United Nations operational rate for October 1975). In view of the uncertainties of the inflation and currency fluctuation factors, the IMCO Council has decided, as an extraordinary measure, to review the budget in 1976 in the light of developments at that stage.

145. In this connexion, the Advisory Committee was informed that the assumptions as to the rate of increase of General Service salaries (namely, 20 per cent in 1975, 24 per cent in 1976 and 11 per cent in 1977) correspond to the assumed rate of inflation in the preceding year, for General Service salaries are adjusted as a result of surveys normally at the end of the year, with application the following year. The assumptions concerning post adjustments correspond to the over-all inflation assumptions of 11 per cent in 1976 and 9 per cent in 1977. For equipment and supplies, IMCO has assumed an inflation rate of 14 per cent in 1976 and 9 per cent in 1977.

146. Increases in cost of accommodation derive from the following: (a) the decision to hire private facilities for the holding of the Assembly and international conference (due to the growth in membership of the organization the present facilities at Headquarters are inadequate in size); (b) an expected fourfold increase in rent for Headquarters premises; (c) the necessity to rent additional office accommodation at a rate higher than is currently being paid for accommodation. In this connexion, the Advisory Committee is informed that the IMCO Council has approved an arrangement for the construction of a new building, which would have both office accommodation and conference facilities. The building would be built by a private developer and leased to IMCO: the United Kingdom Government has proposed to pay 80 per cent of the rent, the remaining 20 per cent would be paid by IMCO. The Committee understands that the Secretary-General of IMCO has informed the Council that an amount of $413,000 (not included in his estimates) will be required in 1976-1977 to pay for the assistance to be rendered by the Property Services Agency of the United Kingdom Government in connexion with the construction of the new headquarters building and for a project manager.

Staff

147. There have been no further changes in the structure of the organization since the approval by the IMCO Assembly at its eighth session of the 1974-1975 staff establishment. Thus, the secretariat comprises the Office of the Secretary-General,

together with seven divisions: the Marine Safety, Marine Technology, Marine Environment, Legal, Administrative, Conference and Technical Co-operation Divisions.

148. Following Council's approval, during 1974 and 1975, of several additions and upgradings, the regular budget for 1974-1975 provided for an establishment of 142 posts in 1974 and 152 posts in 1975, of which 53 posts in 1974 and 56 posts in 1975 are in the Professional and higher categories. The proposed staff establishment submitted to the Council at its thirty-fourth session, for the 1976-1977 budgetary period, provides for an establishment of 176 posts, of which 66 are in the Professional category and above. The following table shows the proposed increase in staff on the regular budget from 1974-1975 to 1976-1977.

Category	1974-1975	1976-1977	Proposed increase from 1974-1975 to 1976-1977
Professional and above	56	66	10
General Service	96	110	14
Total	152	176	24

149. The totals for 1974-1975 and 1976-1977 in the above table exclude posts paid from the technical co-operation budget, 9/ which have increased from 19 in 1974 to 28 in 1976. This increase reflects the continued expansion of the technical co-operation programme of IMCO, including UNDP-financed large-scale and small-scale projects (in fields such as training of maritime personnel, maritime legislation, maritime safety, naval architecture, the prevention of marine pollution and fellowships). It may be mentioned in this connexion that UNDP has agreed to finance the appointment by IMCO of two interregional advisers (one in maritime safety administration and the other in maritime legislation) and of three regional advisers (one each for Africa, Asia and the Far East and Latin America). In conjunction with these appointments, the IMCO Council has approved a corresponding strengthening of headquarters staff through the creation of four additional Professional posts (marine pollution adviser and three regional programme officers) with accompanying secretarial support.

150. The IMCO Council, at its thirty-second session, authorized the Secretary-General to put into effect any decisions taken by the United Nations General Assembly at its twenty-ninth session on the question of salaries and related

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9/ In addition to UNDP overhead reimbursements of $913,500 in 1976-1977, IMCO finances technical assistance activities through a subvention from the regular budget which will amount to $458,000 in 1976-1977.

allowances for the Professional and higher categories. Accordingly, the changes adopted by the General Assembly in resolution 3358 (XXIX) were implemented for IMCO staff with effect from 1 January 1975, and reported to the Council at its thirty-fourth session.

151. Following the usual survey by the United States Embassy at the end of 1974, the Council, at its thirty-fourth session, approved new General Service salaries effective retroactively from 1 January 1975. The IMCO Staff Association had made certain proposals relating to the structure of the General Service scales, and the new scales reflected also the new structure agreed between the Secretary-General and the Staff Association. The Council further approved the proposed procedure for determining future scales within the framework of the present system of using the United States Embassy data. The Secretary-General was also authorized to implement General Service salary revisions upon receipt of United States Embassy data, such revisions to be reported in each case at the next Council session, superseding the previous procedure of having such revisions approved by Council on a retroactive basis.

152. Further to the introduction on 1 January 1974 of extended and improved health insurance coverage for serving headquarters staff, the Council, at its thirty-third session, approved proposals for after-service coverage at reduced rates. The new arrangements, reflecting practice in the United Nations system, were put into effect on 1 January 1975.

Currency developments

153. As noted last year by the Advisory Committee in its report (A/9857), the eighth IMCO Assembly had decided to request the IMCO Council to consider, at its thirty-second session, both the question of expressing the budget in sterling and the possibility of assessing contributions in more than one currency, with a view toward reaching a firm recommendation in time to be implemented in the budget for 1976-1977. The IMCO Council, at its thirty-second session, noted that the United Nations General Assembly had established a Working Group on Currency Instability, and decided to defer its decision on the question of currency of the IMCO budget until the General Assembly had received, at its twenty-ninth session, the report of the Working Group (A/9773). The Council, having examined that report at its thirty-fourth session, decided to recommend to the ninth IMCO Assembly to maintain the present system of expressing the budget in United States dollars, with contributions payable in either dollars or sterling, and to keep the situation under review.

Other developments

154. The IMCO Assembly, at its fifth extraordinary session in October 1974, adopted proposals for the amendment of articles 17, 18 and 28 of the IMCO Convention. 10/ The aim of the amendments is to expand the membership of the

10/ United Nations, Treaty Series, vol. 289, No. 4214.

Council from 18 to 24 and to open the Maritime Safety Committee (formerly composed of 16 members) to the participation of all member States. Further amendments to the IMCO Convention concerning the status of committees of the organization and their competence, as well as the role of the Council in relation to the committees, were endorsed by the Council at its thirty-fourth session and have been submitted for consideration at the ninth IMCO Assembly.

155. The Advisory Committee was informed that actions with regard to amendment of the IMCO Convention are a consequence of the desire to adapt IMCO to a changing role; IMCO is evolving from a purely consultative organization to one which is active in substantive development assistance activities (see para. 149 above). In this connexion, the Committee was assured that the substantive endeavours of IMCO were being undertaken in full co-operation and co-ordination with other United Nations agencies already active in the various fields of development assistance of interest to IMCO.

J. World Intellectual Property Organization

	Swiss francs	United States dollars
Expenditure budget 1976[a/]	20,800,000	7,591,000
Expenditure budget 1975[a/]	17,592,000	6,420,000
Increase	3,208,000	1,171,000

a/ At 2.74 Swiss francs to $US 1.

156. The General Assembly, in resolution 3346 (XXIX), approved the agreement between the United Nations and the World Intellectual Property Organization (WIPO), by which that organization became a specialized agency of the United Nations. Article 16 of the agreement provides for the transmittal of the WIPO budget for examination by the General Assembly and the Advisory Committee, in accordance with its terms of reference, has considered these estimates.

157. The Committee had the benefit of a discussion of the programme and budget of WIPO and related questions with the Director-General of WIPO.

Triennial programme and budget for 1974-1976

158. The programme and budget of WIPO is fixed every three years, with annual budgets established (in Swiss francs) within the triennial limits. 11/ The

11/ The triennial budgets are adopted by the WIPO General Assembly (Budget of Expenses Common to the Unions), the WIPO Conference (Budget of the Conference), and the Assemblies of the Paris and Berne Unions and of the Special Unions (the budgets of those Unions). The annual budgets are adopted by the WIPO Co-ordination Committee (Budget of the expenses Common to the Unions and Budget of the Conference), and the Executive Committees of the Paris and Berne Unions (the budgets of those Unions).

current triennium commenced in 1974 and annual limits as established in that year are as follows:

1974: 14,679,000 Swiss francs ($5,357,000)
1975: 17,675,000 Swiss francs ($6,450,000)
1976: 22,108,000 Swiss francs ($8,068,000)

159. The budgets of WIPO reflect the fact that this organization is an amalgam of separate unions. As a consequence, WIPO budgets are, in effect, of a dual nature, covering, on the one hand, the budget of expenses common to the Unions and the budget of the WIPO Conference and, on the other, the budgets of the Unions themselves as administered by WIPO (the activities of these Unions appear in the budget as "major activities").

160. The expenses common to the Unions are met from assessments on the Unions in accordance with a scale established by the Co-ordination Committee. Further, the Union for the Protection of New Varieties of Plants (UPOV), which has a separate administration, 12/ contributes in an agreed amount (termed "agreed contributions" in the budget) towards common expenses. Additional income is derived from publications revenue, UNDP overhead contributions, and miscellaneous credits, which are accounted for in the budget under the heading "Publications and miscellaneous".

161. Substantive activities of the Unions themselves are financed in a variety of ways. Mandatory contributions (included in the budget as "ordinary contributions") are paid by members of the Paris, Berne, Nice and Locarno Unions, and by such States members of WIPO as are not members of any of the Unions. Activities related to the Madrid, The Hague and Lisbon Unions are financed by fees collected by the three international registration services established under these Unions (entered in the budget as "fees"). Voluntary contributions (termed "special contributions" in the budget) are solicited to defray expenses related to: (a) the preparations for the entry into force of the Patent Co-operation Treaty (PCT); (b) the work of the Paris Union Committee for International Co-operation in Information Retrieval Among Patent Offices (ICIREPAT); and (c) the Strasbourg Agreement concerning the International Patent Classification (IPC). 13/

12/ The Director-General of WIPO is the chief administrative officer of UPOV as well. The other Unions of WIPO are all administered jointly by the International Bureau for the Protection of Intellectual Property, which constitutes the secretariat of WIPO.

13/ Contributions for the IPC budget of 1976 are termed "mixed contributions" as they will be mandatory for the States in respect of which the IPC Agreement of 1971 will have come into effect by 1 January 1976. They will continue to be voluntary for those States in respect of which the IPC Agreement will not have come into effect by that date, but which, because of their interest in the IPC, are expected to contribute.

Programme and budget for 1976

162. The total expenses in the budget for 1976 amount to 20,800,000 Swiss francs ($7,591,000). This is 1,308,000 Swiss francs ($477,000) less than what has been provided for in the triennial budget (see para. 158 above). This decrease is attributable to the fact that amortization on the new WIPO building will no longer start in 1976 (see para. 168 below), resulting in the deferral of a planned expenditure of 2,500,000 Swiss francs ($912,408). On the other hand, unforeseen increases (inclusion of a programme not provided for in the triennial budget and increases in staff costs) have offset this amount by 1,192,000 Swiss francs ($435,000).

163. Compared with the 1975 expense budget of 17,592,000 Swiss francs ($6,420,000), the 1976 budget represents a net increase of 3,208,000 Swiss francs ($1,171,000) or 18.2 per cent.

164. Greater staff costs account for most of the increase, rising by 2,199,000 Swiss francs ($802,000) from 12,311,000 Swiss francs ($4,493,000) to 14,510,000 Swiss francs ($5,295,000). Of that amount, 552,000 Swiss francs ($201,000) are due to the creation of nine new posts (see para. 167 below); 187,000 Swiss francs ($68,248) are due to the inclusion in the budget of one Deputy Director-General post authorized but not costed in the 1975 budget, and the remainder represents salary increases, the cost of promotions and within-grade increments, and provision for at least partial compensation for expected increases in the cost of living.

165. Other major areas of increase include "contracts", up by 244,000 Swiss francs ($89,051) from 307,000 Swiss francs ($112,043) to 551,000 Swiss francs ($201,094) as the result mainly of increased computer activities; "equipment and supplies", which have increased by 229,000 Swiss francs ($83,576) from 500,000 Swiss francs ($182,481) to 729,000 Swiss francs ($266,058) because of price increases and the purchase of new reproduction equipment; and expenses related to the new building, which have increased by 200,000 Swiss francs ($72,992) from 300,000 Swiss francs ($109,489) to 500,000 Swiss francs ($182,481).

166. Increases have been partially offset by minor savings in the amortization of building loans /6,000 Swiss francs ($2,189)/, the amortization of organizational expenses /19,000 Swiss francs ($6,934)/ and telephone and postage /41,000 Swiss francs ($14,963)/.

Staff

167. The total number of posts approved for 1975 was 176. As noted in paragraph 164 above, nine new posts are budgeted for 1976 for a total of 185. The following table gives a breakdown of the staff by programme, including new posts for 1976.

Summary of posts

	Number of posts	
	1975 Budget	1976 Budget
Office of the Director-General	10	15
Industrial Property Division	18	16
PCT Section	5	5
ICIREPAT Section	5	5
IPC Section	5	5
International Registrations Division	35	36
External Relations Division	8	6
Publications Section	6	6
Library	3	4
WIPO Technical Assistance Section	3	3
Administrative Division	15	18
Finance Section	20	21
Mail and Documents Section	30	32
Languages Section	5	5
New Building Section	3	3
Copyright Division	5	5
	176	185

The Advisory Committee was informed by the Director General of WIPO that, in response to the desire of many delegations at the Sixth Series of Meetings of the Administrative Bodies for economies in expenditure, there would be five fewer staff posts than the total posts proposed. However, the reduction in the number of posts and other possible economies would not reduce the level of the budget as the relevant savings would be used to meet deficits or would be transferred to reserve funds.

Other

168. The Committee was informed that construction of the new headquarters building, to be completed by 1977 at an approximate cost of 60 million Swiss francs is being financed by the Fondation des Immeubles pour les Organisations

Internationales (FIPOI), an entity established by the Swiss Government. The financing is in the form of a loan, repayable over a period of 40 years, beginning on 1 January of the year following completion of construction. Apportionment of the repayments among the various Unions will be based on actual occupancy; the financing plan was approved by the Co-ordination Committee in 1971.

K. International Atomic Energy Agency

Proposed net regular budget, 1976[a/]		$34,237,000
Adjusted net regular budget, 1975[a/]		26,660,000
	Increase	$ 7,577,000[b/]
		28.4 per cent

a/ Represents the amount assessed on Member States.

b/ $6,549,200 or 86.4 per cent of net increase is attributable to salary and price increases and $1,027,800 or 13.6 per cent to programme expansion.

169. The Advisory Committee discussed the Agency's budget for 1976 and other related matters with the representatives of the Director-General.

Regular budget

170. The IAEA budget estimates are prepared annually within the framework of a rolling six-year programme, which is updated every second year. The 1976 budget covers the second year of the first biennium of the Agency's programme of work for 1975-1980.

171. The gross appropriations proposed for the 1976 regular programme budget amount to $37,002,000, including $2.3 million to cover additional requirements resulting from currency realignments. Compared to the 1975 adjusted budget of $32,175,000, they represent an increase of $4,827,000 or 15 per cent. The adjusted 1975 figure includes supplementary appropriations of $2.5 million (to be financed from miscellaneous income) for additional expenditures to meet salary and wage increases, increased costs of services and supplies and the less favourable United States dollar-Austrian schilling exchange rate.

172. The rate of exchange used to draw up the estimates for 1976 is 18.50 Austrian schillings = $US 1. The 1976 estimates can therefore be compared directly with the 1975 adjusted budget, which is based on the same rate. However, the 1976 estimates also include a provision of $2.3 million for adjustment of programme cost estimates based on the assumption that the average rate of exchange throughout 1976 will be 17.00 schillings to the dollar.

173. The following table provides a breakdown of the IAEA 1976 regular budget estimates by programme with comparative figures for the 1975 adjusted budget.

Regular budget

Item	1975 Adjusted budget	1976 Estimate	Increase or (decrease) over 1975	For price increase	For programme increase or decrease
	$	$	$	$	$
1. Policy-making organs	1 134 000	1 262 000	128 000	136 200	(8 200)
2. Executive management and technical programme planning	727 000	829 000	102 000	64 000	38 000
3. Technical assistance and training	1 446 000	1 669 000	223 000	187 200	35 800
4. Food and agriculture	1 288 000	1 436 000	148 000	166 000	(18 000)
5. Life sciences	1 211 000	1 421 000	210 000	148 100	61 900
6. Physical sciences	1 802 000	2 046 000	244 000	239 100	4 900
7. The Laboratory	1 923 000	2 236 000	313 000	327 000	(14 000)
8. International Centre for Theoretical Physics	220 000	305 000	85 000	85 000	-
9. Nuclear power and reactors	1 966 000	2 224 000	258 000	238 800	19 200
10. Nuclear safety and environmental protection	2 527 000	3 121 000	594 000	351 700	242 300
11. International Laboratory of Marine Radioactivity	407 000	498 000	91 000	49 700	41 300
12. Information and technical services	2 691 000	2 891 000	200 000	277 400	(77 400)
13. Nuclear explosions for peaceful purposes	84 000	208 000	124 000	10 000	114 000
14. Safeguards	5 210 000	6 443 000	1 233 000	621 000	612 000
15. Administration	3 763 000	4 293 000	530 000	472 200	57 800
16. General services	3 147 000	3 680 000	533 000	597 800	(64 800)
17. Service activities	129 000	140 000	11 000	16 000	(5 000)
18. Adjustment of programme cost estimates	-	2 300 000	2 300 000	2 212 000	88 000
Proposed supplementary appropriation	2 500 000	-	(2 500 000)	(2 500 000)	-
TOTAL	32 175 000	37 002 000	4 827 000	3 699 200	1 127 800

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174. The $4,827,000 gross increase in the 1976 regular budget estimates over the 1975 adjusted regular budget is made up of $3,699,200, or an 11.5 per cent price increase attributable to inflationary pressures and movements in exchange rates, and $1,127,800 or a 3.5 per cent programme increase. The main programme increases are in the fields of safeguards, nuclear safety and environmental protection and nuclear explosion for peaceful purposes.

175. The constituent programmes for 1976 are essentially the same as those of the current year, except for the Agency's activities in respect of nuclear explosions for peaceful purposes, which have been established as a separate programme. Shifts between programmes are introduced to accommodate changes of priorities. Under each programme, the budget document provides detailed information on costs, a summary of manpower, changes in costs and manpower, and a statement of objectives and changes compared to the original programme. Information is also provided on apportioned costs of linguistic, printing and publishing, the laboratory's safeguards support activities and data-processing services. The apportionment of data-processing services has been introduced for the first time as a further step towards the objective of showing the full costs pertaining to each programme.

Operational budget

176. In addition to its regular budget, IAEA has an operational budget financed principally from voluntary contributions to the General Fund and from special and direct contributions. The operational budget estimates for 1976 total $7,072,000, allocated as follows: $1,222,000 or 17.3 per cent under Operating Fund I for the facilities in Monaco and Trieste and $5,850,000 or 82.7 per cent under Operating Fund II for technical assistance in the form of expert services, equipment, fellowships and training. All allocations for Operating Fund II are transferred from the General Fund.

177. The total allocations under the operational budget are $1,271,000 more than those for 1975; most of the increase occurs in the Operating Fund for technical assistance activities. Recognizing the needs of the developing countries for increased technical assistance, the Agency is raising the target for voluntary contributions from member States from $4.5 million in 1975 to $5.5 million in 1976 (as compared to $3 million in 1974, when, as reported, contributions exceeded the target for the first time).

Major components of price increases in the 1976 budget

178. The following table shows the estimates of IAEA of the major components of price increases in the 1976 regular budget and in Operating Fund I (operational expenses of the facilities in Monaco and Trieste) of the operational budget.

Component	Regular budget	Operating Fund I	Total
	$	$	$
Salaries and wages and common staff costs	3,185,900	-	3,185,900
Travel and meetings	389,500	21,800	411,300
Scientific services (including contracts), supplies and equipment	162,800	4,200	167,000
Common services, supplies and equipment	504,000	22,800	526,800
Other	8,000	26,000	34,000
Supporting services (linguistics and printing)	(263,000)[a/]	-	(263,000)
Adjustment to programme cost estimates 1976	2,212,000[b/]	-	2,212,000
Proposed supplementary appropriation for 1975	(2,500,000)[c/]	-	(2,500,000)
Total	$3,699,200	74,800	3,774,000

a/ The negative figures for linguistic services and for printing and publishing services represent the costs which are attributable to the holding of meetings, since these costs have been transferred from the expenditure lines "Linguistic services" and "Printing services" to the expenditure lines for meetings of the programmes in which such services are used.

b/ Related to the assumed change in the exchange rate of Austrian schillings from S18.50 to S17.00.

c/ Related mainly to exchange rate fluctuations and to inflationary impact.

Extrabudgetary resources

179. In response to the Advisory Committee's recommendation that consideration be given to include data on extrabudgetary resources (A/9857, para. 173), the IAEA budget document for 1976 includes for the first time information on extrabudgetary resources available to the Agency. The main source of extrabudgetary funds is UNDP. The following table provides data on IAEA extrabudgetary resources:

	1974 actual[a/]	1975 estimate	1976 estimate
UNDP	3,152,000	3,500,000	4,000,000
UNEP	69,000	272,000	269,000
FAO	335,000	363,000	923,420[b/]
SIDA	296,000	384,000	508,000
Other Trust Funds	187,000	544,000[c/]	430,000
	4,039,000	5,063,000	6,130,420

a/ Rounded off to the nearest thousand dollars.

b/ For the biennial period 1976-1977.

c/ Includes $152,453 cash in banks under special fellowships offered by the Government of the Union of Soviet Socialist Republics.

180. The Advisory Committee inquired into the status of IAEA/UNEP collaboration. It was informed that the Agency's capacity to undertake scientific work on environmental protection and conservation is not being fully utilized. According to annex VI of the Agency's Budget for 1976, 14/ UNEP allocation received by IAEA in 1975 for joint projects amounted to $143,700 as against $260,450 in UNEP contributions proposed by IAEA. The provisional estimates for 1976 appear to indicate a widening of that gap.

Staff

181. The number of posts authorized for 1974, and 1975 and proposed for 1976, including those for the Agency's operational facilities (in Monaco and Trieste) is as follows:

Level	1974	1975	1976	Change
Professional and above	438	455	463	8
General Service	553	580	614	34
Manual and operative	167	170	155	(15)
Total	1,158	1,205	1,232	27

14/ 9C(XIX)/550.

182. Changes in the number of established posts include an increase of nine (three Professional and six General Service) in the nuclear safety and environmental protection programme and an increase of seven (one Professional and four General Service and two Maintenance and Operative) in the Safeguards Analytical Laboratory (SAL) and the Hydrology Laboratory. Of the foreseen total reduction in Maintenance and Operative posts, 12 Maintenance and Operative posts under Printing and Publishing Services are to be reclassified and placed in the General Service category.

Working Capital Fund

183. The level of the Working Capital Fund will remain at $2 million for 1976. This level has proved sufficient in view of the positive response of member States to the Agency's request for early payment of regular budget contributions.

184. The purpose for which the Working Capital Fund may be used will continue to be, as before, the financing of Agency activities pending the receipt of assessed contributions, the temporary financing of self-liquidating activities (up to $25,000) and the provision of emergency assistance in case of radiation accidents (up to $50,000).

Assessment and evaluation

185. The Advisory Committee inquired into the steps being taken by the Agency to integrate programme evaluation and programme planning. It has been informed that, in the Agency's programme for 1977-1982 and budget for 1977, which are now being prepared, information on "results to date" will be provided at the programme component level. In order to avoid duplication between the programme and budget document and the annual report, "results to date" in the programme and budget document will cover the results obtained since the inception of the programme component, provided it falls within the last six-year programme period. The results obtained during the current year are to be dealt with in the annual report. For instance, achievements up to and including 1974 will be reported on in the programme for 1977-1982, achievements during 1975 will be mentioned in the annual report for 1975. It is not the Agency's intention, however, to report on performance in the document setting out the budget for the second year of the cycle, for example, for 1976.

Meetings

186. Meetings constitute a major component of the IAEA programme of work. Annexes I and II of the Agency's budget for 1976 provide a long list of meetings to be held under the following headings: conferences, symposia and seminars (a total of 25); and technical committees and advisory groups (a total of 71). The Advisory Committee was informed that five days is the average duration of all categories of meetings. Symposia are larger (an average of 250-300 participants) and cost more than technical committees and advisory groups (an average of about 20 participants). Whereas at symposia interpretation is provided for four languages (English, French,

Russian and Spanish), interpretation requirements at meetings of technical committees and advisory groups are normally limited to two languages (in many instances no interpretation is required). The costs of pre-session documentation (average $3,000 per symposium and up to $1,000 for smaller meetings), but not of the proceedings of symposia and meetings, are included in the meetings costs, which are listed under individual programmes in the budget document in the tables "Cost of the programme - Summary by items of expenditure"; the cost of the proceedings is given in the tables under "Printing and publishing services". The Advisory Committee understands that the Agency plans to improve reporting on meetings and publications by including in the annual report on programme evaluation and budget performance various data, such as those on the number of papers submitted and participants.