

UNITED NATIONS GENERAL ASSEMBLY



RESTRICTED

A/CN.1/R.42
7 September 1950

ORIGINAL: ENGLISH

MASTER

ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

BUDGET ESTIMATES FOR 1951

(Report by the Secretary-General)

1951 - Appropriations	\$8 200 000
1950 - Appropriations	8 000 000
1949 - Obligations and expenditures	7 780 000

1. Status of Appropriations

The Director-General of UNESCO transmitted to the Secretary-General of the United Nations the budget estimates of UNESCO for the financial year 1951.

In conformity with UNESCO's financial regulation No. 5, the Director-General submitted his budget initially to the Executive Board. These estimates added up to \$9 150 000. The Executive Board examined the proposals during its nineteenth session (February 1950) and prepared a report on them. Following the Board's suggestion, the Director-General revised his estimates and a new total of \$8 149 985 was arrived at. The budget estimates as revised and the Executive Board's report were finally examined by UNESCO's Fifth General Conference which met in Florence in May-June 1950 and which appropriated an amount of \$8 200 000 for UNESCO's expenditures in 1951.

Due to the fact that no detailed information is available on minor modifications introduced by the Conference on the budget estimates, this analysis is based on the text of the 1951 estimates prepared by the Director-General after consultation with the Executive Board (5/C5 (II) 1950).

2. Size and scope of the Budget

The 1951 budget amount approved by the Conference is distributed under the following main headings.

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	<u>Estimates for 1951</u>	<u>Appropriations for 1950</u>	<u>Obligations for 1949</u>
Part I - General Policy	235 219	308 336	181 726
Part II - General Administration	1 035 745	1 007 288	1 077 979
Part III - Programme Operations and Services			
1. Education	1 113 556	1 049 805	782,313
2. Natural Sciences	857 439	769 427	689 227
3. Social Sciences	414 824	375 602	276 190
4. Cultural Activities	856 023	780 618	762 181
5. Exchange of Persons	305 707	293 201	183 404
6. Mass Communications	978 129	917 867	919 754
7. Relief Assistance Services	333 870	382 775	399 185
8. External Relations Service	647 205	672 558	435 968
9. Documents and Publications Service.	787 796	700 768	680 444
10. Statistical Service	<u>62 271</u>	<u>51 437</u>	<u>23 986</u>
Total Part III	6 356 820	5 994 058	5 152 652
Part IV - Common Service Costs	672 216	667 318	772 640
Reserves, Technical Assistance and Publications Revolving Fund	-	23 000	595 003
Total	<u>\$8 300 000</u>	<u>8 000 000</u>	<u>7 780 000</u>

A \$10 000 contribution by the Government of Cuba for the Western Hemisphere Regional Office is deducted from the 1951 total. Furthermore, although the 1951 figures as shown above add up to \$8 300 000, the General Conference actually appropriated only a total of \$8 200 000, the Director-General being requested to apply an overall reduction of \$100 000 to the above amounts. This amount reflects the estimated savings resulting from the installation of the new local salary system and other changes in the salary and allowance system of UNESCO approved for 1951.

3. Programme of work and scale of priorities

In its report on the Director-General's budget estimates for 1951, the Executive Board of UNESCO states that:

/"In preparing

"In preparing the programme for 1951 which is before the Fifth Session of the General Conference, the Executive Board has been guided by two main considerations: on the one hand, the need expressed by the Conference at its Fourth Session for a concentrated and coherent programme; and, on the other hand, the need for restraint in the initiation of new programme enterprises, urged by the General Assembly of the United Nations in its resolution dealing with the programme and budgets of the specialized agencies. The Board has also been constantly mindful of the financial difficulties which many Member States continue to experience."

The budget estimates for 1951 are generally based upon the programme of work prepared by the Executive Board (5C/5 (I) (Rev.)). In presenting this document, the Executive Board states that:

"The basic programme of UNESCO consists of a number of resolutions, grouped under seven different heads: (1) Education, (2) Natural Sciences, (3) Social Sciences, (4) Cultural Activities, (5) Exchange of Persons, (6) Mass Communications and (7) Relief Services."

Considering that UNESCO's fields of work are very extensive, a selection of policies and main lines of work is entrusted by UNESCO's Constitution to the General Conference. The foreword to the programme comments in this respect that:

"In discharging this responsibility the Conference has considered it useful to distinguish between UNESCO's basic programme on the one hand, and its annual programme of particular activities on the other. While the annual programme naturally varies from year to year, according to the urgency of particular problems, the stage of development of individual projects, and the resources at the disposal of UNESCO, the basic programme covers the policies and main lines of work of the Organization over a period of several years. (The General Conference has also adopted a statement of methods of work; within which particular work plans are devised each year to give effect to the annual programme)."

4. Relationship between 1951 budget and the Technical Assistance Programme

No specific and separate appropriation is included in the 1951 estimates for a technical assistance programme. Actually, technical assistance will be rendered in many instances described in the budget estimates for 1951 and constitutes an integral part of the operation of some programmes.

UNESCO's participation in the expanded programme of technical assistance is recorded in the report prepared by United Nations Secretary-General in consultation with the executive head of specialized agencies (E/1327/Add.1 and 2).

5. Analysis of administrative expenses

A. Expenses for meetings

(i) Number, cost and location of meetings

In Table X of the budget estimates a provisional list of conferences and meetings for 1951 is given. This schedule may be summarized as follows:

	<u>Appropriations</u> <u>1950</u>	<u>1951</u>
General Conference, 1 session	240 239.	123 860.
Executive Board, 4 regular sessions	57 417	36 800
International conferences - 3)		
Working Committees - 15)		
Seminars - 3)	282 350	205 595
Regional meetings - (2))		
Meetings of experts - 29)		
	<u>\$580 006</u>	<u>366 255</u>

These meetings are expected to be held in the following locations:

UNESCO House	- 44
Japan	- 3
Copenhagen	- 1
Middle East	- 1
USA	- 1
Latin America	- 2
UK	- 1
Near Paris	- 1
Undetermined	- 3

(ii) Temporary assistance for meetings

An Amount of \$41 000 is included in the 1951 budget estimates for temporary assistance for the General Conference, as against \$66 000 appropriated for 1950. An additional amount of \$1 000 (\$2 660 in 1950) is estimated for meetings of the Executive Board. No other temporary staff is specifically provided for meetings.

B. Salary, wages and other payments

(i) Number of established posts

There is an increase of 17 posts in UNESCO's budget for 1951 as compared with the approved number for 1950. The modifications in the various departments are shown in the following table:

	<u>1950</u>	<u>1951</u>
Office of the Director-General	18	16
Bureau of Administrative Management and Budget	18	17
Bureau of the Comptroller	31	34
Bureau of Personnel	32	32
Bureau of Conference Planning and General Services	120	118
Department of Education	65	83
Department of Natural Sciences	46	51
Department of Social Sciences	26	25
Department of Cultural Activities	75	80
Service of Exchange of Persons	19	20
Department of Mass Communications	105	111
Relief Assistance Services	22	22
External Relations Service	74	69
Documents and Publications Service	165	155
Statistical Service	8	8
	<u>824</u>	<u>841</u>

The estimated cost of base salaries of established posts for 1951 is \$3 272 354 as compared with \$2 867 648 for 1950.

(ii) Temporary assistance and consultants

Expenses for temporary assistance in 1951 are estimated at \$127 100, as against \$244 911 appropriated for 1950.

Expenses for consultants in 1951 are estimated at \$53 150, as compared with \$43 500 appropriated for 1950.

In addition, the 1951 estimates include the amount of \$427 150 for fees (including fees for translation), which compares with \$495 213 for 1950. As pointed out in last year's report on UNESCO's 1950 budget (A/CN.1/W.112), these fees are intended to cover retention of persons outside the Secretariat to perform specific tasks (reports, special studies, books, film strips, etc.) where payment on a job-rate basis is necessary and feasible.

The proportion of the 1951 estimates for the items above, in relation to the total bill for salaries, is approximately the following: established posts, 84.3 per cent; temporary assistance, 3.3 per cent; consultants 1.4 per cent, and fees 11.0 per cent.

(iii) Reimbursement for national income taxation

An amount of \$15 000 is included in the 1951 estimates for this purpose, as compared with \$25 000 appropriated in 1950. The reason for the decrease is given in the justification to the estimates, as follows:

/ "Experience

"Experience with the item for National Income Tax indicates that because citizens of one of the Member States are relieved from payment of taxes after a given period of absence from their country, the expected expense in 1951 will be decreased to \$15,000."

(iv) Joint Staff Pension Scheme and Medical Benefits

Contributions for these two schemes are estimated at 14.7 per cent of the total salaries payable in 1951, a total of \$491 549, as against \$425 818 appropriated for 1950.

C. General Services

(i) Cost of printing and publications programme

An amount of \$346 725 is included in the 1951 estimates, as against \$404 832 appropriated for 1950. The 1951 total includes an amount of \$37 000 for printing connected with the Annual Conference, compared with \$35 800 appropriated for the same purpose in 1950.

(ii) Rental and maintenance of premises

An amount of \$125 000 is included in the 1951 budget for this purpose, compared with \$142 151 appropriated in 1950. Following consultations with UNESCO Headquarters Commission, additional building space is being rented and provision is included in the 1951 estimates for the rental and maintenance of the new building. The decrease in 1951 estimates in relation to 1950 appropriations is analysed in UNESCO's budget estimates as follows:

"The 1951 request for utilities is considerably reduced from the budgetary provision for 1950. Currency variations, the considerable increases in expenditures for 1948 over 1947 (25 per cent), which was the base period considered in the preparation of the 1950 Budget, plus the appropriations of \$66 000 for 1949, and heavy obligations incurred during the first months of 1949, made it indispensable that these facts be taken into consideration during the 1950 Budget preparation. Operating experience, final 1949 figures and the relative stabilization of the present currency situation permit a lower estimate for 1951."

(iii) Travel

Estimates for travel on official business for 1951 amount to \$398 800, as against \$425 526 appropriated for 1950. Travel of delegates to conferences and meetings in 1951 is set at \$140 660, compared with \$329 631 in 1950.

The largest single item contributing to the reduction in travel expenses is the decrease in travel for the Annual Conference, which met in Florence in 1950 and is expected to meet in Paris in 1951, thus eliminating the necessity for providing for travel of staff.

6. Income

(i) Miscellaneous Income

It is estimated that \$20 000 will be received as miscellaneous income during 1951 - \$6 000 estimated returns for services rendered to other agencies and \$14 000 miscellaneous. The total estimated income for 1950 was set at \$10 000.

In addition to this, 1951 income estimates include receipts for sale of publications in the total of \$15 000 (compared with \$10 000 in 1950). This amount, however, is not to be credited as miscellaneous income since, in accordance with a General Conference resolution, revenue derived from the sale of UNESCO publications should be credited to the Publications Fund, to be used in financing UNESCO publications, as prescribed by the Conference.

(ii) Contributions

The status of contributions to the budget is examined in the report of the Executive Board on the Director-General's estimates for 1951 in the following terms:

"Member States and the General Conference will doubtless be aware of the resolution adopted by the General Assembly of the United Nations on the subject of the arrears of certain Member States in payment of their contributions. The Board has proposed various measures to deal with the difficulties caused by these arrears, including an amendment of the Constitution and amendments of the Financial Regulations. In particular, in order that the execution of the Organization's approved programme should not be jeopardized by non-payment of contributions, it proposes two alternative solutions:

That there should be added to the total of the budget necessary to carry out the annual programme a reserve designed to cover the estimated non-payment of contributions. (The Board has recommended that if this course is adopted the reserve for 1951 should be placed at 10 per cent of the budget and has recommended to the Director-General the inclusion in his budget estimates of a corresponding amount, bringing the total to be requested of Member States to about \$8 950 000);

That the Working Capital Fund be used to finance contributions not received and that the total amount of the Fund called for be increased accordingly.

"Regarding the deficit incurred in past years, as a result of non-payment of contributions, the Executive Board has been informed by the Director-General that for the years 1947, 1948 and 1949, out of a total amount of \$22 390 539 receivable in contributions from Member States, it is estimated that only

/ \$20 780 763

\$20 780 763 will be received, leaving outstanding a sum of \$1 609 776. During the same period, however, the Organization spent \$20 046 506. Actual expenditure therefore fell short of the estimated expenditure, partly because of currency devaluations and partly because the operations of the Organization during these years for a number of reasons did not require the full amounts appropriated. A surplus of \$734 256 would thus have been realized, except that, in accordance with the Financial Regulations governing annual declaration of surpluses, a sum of \$1 238 643 was credited to Member States and the result was instead a deficit of \$504 386.

"The Executive Board draws attention to the seriousness of this situation. It considers that, for the present, the Working Capital Fund will be adequate to cover both this estimated deficit and the normal requirements, but this view will only prove justified if the amount of the deficit is not increased by further credits of book surpluses to Member States under existing Financial Regulations and provided Member States meet their financial obligations to the Organization. It therefore urges that immediate steps be taken to prevent any increase in the deficit either as a result of failure to collect contributions or through the distribution of book surpluses and emphasizes that, in due course, the deficit must be made good by the payment of outstanding contributions or by other means."

7. Form of the Budget

In general, the form of the budget estimates is the same as last year. However, efforts were made to show in a clearer manner the relationship between each project of the 1951 programme and the corresponding budgetary estimates. A few presentation changes have also been introduced in the 1951 budget as compared with the 1950 budget. First of all, Parts II and III of the 1951 budget have been modified to reflect the new organization of the Secretariat, as follows: Part II (General Administration) no longer includes the services which are directly connected with programme operations; it includes only the Office of the Director-General, the Bureau of Administrative Management and Budget, the Bureau of the Comptroller, the Bureau of Personnel and the Bureau of Conferences and General Services. The other services which were included in Part II of the previous budget have now been transferred to Part III since they are considered as elements concerned with the operation of the programme. They are External Relations, Documents and Publications, and Statistics. Secondly, all expenses relating to allowances (installation, dislocation, children's and education) which previously were shown separately against the estimates for each project are now presented in aggregate under Part I and II and under each Chapter in Part III. Furthermore, resolutions pertaining to the 1951 programme have been

/drafted

drafted in a more detailed wording which indicates more clearly the work to be performed by the Secretariat in each field.

8. Inter-agency co-ordination on administrative questions

UNESCO's co-operation in joint administrative projects with other international agencies may be summarized as follows:

(1) Joint Pension Fund: UNESCO has not yet joined the Fund, but the Organization's legislative bodies have signified their agreement to it. It is expected that the action to join the Fund, which is dependant on the signature of formal agreement, will be finalized by the end of the current year.

(2) Joint System of Audit: UNESCO has joined this system and nominated as member of the Board of Auditors Sir Frank N. Tribe, Comptroller and Auditor-General of the United Kingdom.

(3) Recommendations of Committee of Experts' Report: UNESCO's General Conference at its 1950 session in Florence adopted the following resolutions:

"The General Conference,

21.11 Having received the report of the Director-General concerning proposed revisions to the salary and allowance system of UNESCO, and,

21.12 Having considered the reasons advanced in favour thereof and the substance of the measures proposed, and the relevant sections of the report of the Committee of Experts on salary, allowance and leave systems as given in Annexes II and III to 5C/ADM/9,

Resolves that:

21.13 The Director-General is authorized to apply plus or minus salary differentials to the United Nations base salary scale with a view to establishing an equitable level of salaries in Paris having regard to the difference in cost of living between Paris and United Nations Headquarters at Lake Success. Determination of the relative cost of living to be made through the standard United Nations Plan for Determining the Cost of Living for International Officials and the results applied in accordance with the principles stated in paragraphs 57 and 58 of the Committee of Experts' report A/C.5/331 and corrigendum subject to possible later revision in the light of any amendments which may be approved by the General Assembly of the United Nations. This authorization shall apply equally to all UNESCO Field Offices.

/"The General

"The General Conference resolves that:

- 21.21 The Director-General is instructed to establish and apply at Headquarters a salary scale for locally recruited staff, based on the best prevailing rates (including social security and related benefits) in Paris, in accordance generally with the principles stated in paragraphs 68 to 91 of the Committee of Experts' Report (A/C.5/331).
- 21.22 The Staff Association should be given full opportunity to express its views on the level of the scale before the Director-General takes a decision.
- 21.23 The scale should be inaugurated at the earliest possible date, and at latest by 1 January 1951.
- 21.24 From the inaugural date, the scale should be applied to all staff concerned who are recruited on or after that date.
- 21.25 Staff recruited during the interval between the closing date of the Fifth Session of the General Conference and the inaugural date of the new scale should be employed on the understanding stated in writing, that a lower salary scale will shortly be introduced and that they will not be retained on their previous salaries but may be offered employment at the corresponding step in the new scale.
- 21.26 Staff who are in the employment of UNESCO on the closing date of the Conference should be transferred to the new scale on the inaugural date and will begin to accumulate credit towards annual increments under the new scale from that date. To compensate for the service credit they will have accumulated towards increment under the present system, and to give them some assistance in adjusting themselves to the new conditions, each such staff member will be placed in the new scale in the appropriate grade at a point two steps above his actual step in his present grade.
- 21.27 To provide an appropriate period of notice, all staff in employment on the closing date of the Conference should receive a personal transitional allowance, for one year from the inaugural date, equal to the difference between their salary on that date and their starting salary under the new system (as explained in paragraph 21.26). This transitional allowance would be payable in equal monthly instalments and would rank as part of basic salary for all purposes. In no case should any such allowance continue beyond 31 December 1951.
- 21.28 No exceptional treatment by way of special promotion or increase in salary beyond that referred to in paragraphs 21.26 and 21.27 should be accorded to any member of staff as a consequence of transfer to the new scale.
- 21.29 The Director-General should, within the framework of these provisions, make such other adjustments as he may consider necessary to bring the scale into operation.
- 21.210 The Director-General should take such action as may be necessary to apply the new scheme to offices away from Headquarters.

/"The General

"The General Conference:

- 21.31 Instructs the Director-General to proceed as rapidly as possible, in accordance generally with the relevant paragraphs of the Expert Committee's report (A/C.5/331), with the implementation of the following elements of a revised allowance and leave system.
- 21.311 Revision of travel subsistence rates to conform with those given in paragraphs 99 to 100 (A/C.5/331).
- 21.312 Revision of the system of payment of installation allowance in accordance with paragraphs 102, 103 and 104 (A/C.5/331).
- 21.313 Revision of leave rules to reduce the maximum accumulation of annual leave credits which may be carried over from previous years of service from 100 days to 60 days, in accordance with paragraph 121 (A/C.5/331).
- 21.32 While appreciating the Director-General's desire to take simultaneous action with the United Nations in respect to revision of home leave rules, nevertheless the General Conference recommends that the Director-General should proceed without delay to take action in accordance generally with the Expert Committee's recommendations (paragraphs 123, 124 and 127) concerning the granting of home leave once every 3 years rather than every 2 years.
- 21.33 Authorizes the Director-General to proceed as rapidly as possible following final action by the General Assembly of the United Nations on the report of the Expert Committee on salary, allowances and leave systems, with such other elements of a revised system of salaries, allowances and leave provisions as he considers desirable and practicable, provided:
- 21.331 Any such revisions made prior to the next Session of the General Conference must be in general conformity with the principles of the system finally approved for the United Nations by the United Nations General Assembly.
- 21.332 No change shall be made in the Salary Scale for internationally recruited staff before the Sixth Session of the General Conference, other than through the application of salary differentials based on the difference of cost of living between New York and Paris (or other cities where applicable) as envisaged in 21.13.
- 21.34 Instructs the Director-General to report to the Sixth Session of the General Conference such changes in the Salary, Allowance and Leave System as he has made in accordance with, and subject to, the provisions of paragraph 21.33 above."
