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ADMINISTRATIVE AND BUDGETARY CO-ORDINATION BETWEEN
THE UNITED NATIONS AND THE INTERNATIONAL ATOMIC
ENERGY AGENCY

Second report of the Advisory Committee on Administrative and Budgetary
Questions to the General Assembly at its fourteenth session

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I. INTRODUCTION

(1) Nature of the inquiry and terms of reference of the Advisory Committee

1. The Advisory Committee on Administrative and Budgetary Questions met from 23 to 26 March 1959 at the headquarters of the International Atomic Energy Agency (IAEA) in Vienna, on the invitation of the Director-General of the Agency. The invitation was extended within the arrangements approved in 1954, and reaffirmed in 1955, by the General Assembly and the Fifth Committee.^{1/}

2. In terms of the arrangements cited above and of the provisions of article XVI of the Agreement between the United Nations and the Agency, the Advisory Committee held consultations with the Director-General on various matters relating to administrative and budgetary co-ordination. The Committee desires to record its grateful appreciation of the co-operation and assistance which it received from Mr. Sterling Cole, Director-General of IAEA, the Deputy Director-General for Administration, Liaison and Secretariat and other officials.

(2) Nature of the present report

3. The present report follows generally the lines of the Advisory Committee's special studies of the several specialized agencies;^{2/} however, in view of the fact that the Agency's participation in the Expanded Programme of Technical Assistance is of recent origin, there is less scope at this stage for an administrative appraisal of the utilization of Expanded Programme funds within an integrated programme of activities. Nevertheless, the Advisory Committee has paid attention to the organizational and administrative arrangements which have been initiated in this regard, and their relationship to similar arrangements under other programmes of the Agency.

^{1/} Official Records of the General Assembly, Ninth Session, Annexes, agenda item 43, document A/2861, para. 10; see also General Assembly resolution 884 (IX) of 14 December 1954.

^{2/} The Advisory Committee has submitted the following reports, in chronological order; A/3142 (ILO, 1956); A/3166 (UNESCO, 1956); A/3596 (WHO, 1957); A/3597 (WMO, 1957); A/3598 (FAO, 1957); A/3861 (ICAO, 1958). The Committee will report on ITU during 1959.

4. The Advisory Committee will submit later in the year a consolidated report in which it intends to formulate its general conclusions and recommendations on administrative and budgetary co-ordination between the United Nations and the other organizations, with particular reference to technical assistance matters. Meanwhile, the Committee has attempted to identify and summarize in this report certain basic factors relating to IAEA, which largely influence and determine what is practicable by way of co-operation and co-ordination in the administrative and budgetary fields.

II. NATURE AND STRUCTURE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY

(1) Establishment, composition and purposes of IAEA

5. The IAEA is an autonomous inter-governmental organization established under the aegis of the United Nations, in terms of a Statute which entered into force on 28 July 1957 after having been unanimously approved on 26 October 1956 by a plenipotentiary conference of eighty Governments held at United Nations Headquarters. The Agency's relationship with the United Nations is governed by an Agreement which was approved by the General Assembly on 14 November 1957 (resolution 1145 (XII)) and by the General Conference of the Agency on 23 October 1957. The Agency comprised seventy members as at 30 April 1959.

6. The basic objectives of the Agency (article II of the Statute) are "to accelerate and enlarge the contribution of atomic energy to peace, health and prosperity throughout the world", and to "ensure, so far as it is able, that assistance provided by it or at its request or under its supervision or control is not used in such a way as to further any military purpose". In order to fulfil these objectives, the Agency is authorized to undertake a variety of functions which may be summarized as follows:

- (a) Dissemination and exchange of information, knowledge and skills relating to the peaceful uses of atomic energy, and encouragement and assistance to research in that field;
- (b) Assistance to members in obtaining materials, services, equipment and facilities to meet the needs of research on, and development and practical application of, atomic energy for peaceful purposes;

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(c) Preparation and establishment of safeguards to ensure that materials, services, equipment, facilities and information made available by the Agency are not used to further any military purpose; establishment of standards of safety for protection of health and minimization of danger to life and property; application, in accordance with the Statute, of these safeguards and standards of safety.

(2) Structure of IAEA^{3/}

7. The Statute provides for two directing authorities - a General Conference and a Board of Governors - with an appropriate staff of the Agency, headed by a Director-General.

8. The General Conference, consisting of representatives of all members, meets in regular annual sessions and in such special sessions as may be convened. The General Conference may, inter alia, discuss any questions or matters within the scope of the Statute and may make recommendations to the Members of the Agency or to the Board of Governors on any such questions. Apart from the election of ten members of the Board, however, its powers of unilateral decision on substantive questions are limited to matters specifically referred to it for that purpose by the Board. Several important matters, such as the annual budget, reports to the United Nations, and agreements with the United Nations and other organizations, require the approval of both the General Conference and the Board of Governors.^{4/}

9. The Board of Governors, which is composed of twenty-three Member States,^{5/} is authorized (article VI, para. F) "to carry out the functions of the Agency in accordance with [the] Statute, subject to its responsibilities to the General Conference as provided in [the] Statute". The Board is organized in such a way as to be able to function continuously and to meet as often as may be necessary. All major policy decisions between the annual sessions of the General Conference are taken by the Board to which the Director-General has to report every two months all major developments in the work of the Agency.

^{3/} See annex I.

^{4/} Statute of IAEA, article V, paras. A, D, E (5-7) and article VI, para. A (3).

^{5/} For footnote 5, see page 7.

5/ The designation of the members of the Board is governed by a complex procedure laid down in article VI of the Statute.

"A. The Board of Governors shall be composed as follows:

"1. The outgoing Board of Governors (or in the case of the first Board, the Preparatory Commission referred to in annex I) shall designate for membership on the Board the five members most advanced in the technology of atomic energy including the production of source materials and the member most advanced in the technology of atomic energy including the production of source materials in each of the following areas not represented by the aforesaid five:

- (1) North America
- (2) Latin America
- (3) Western Europe
- (4) Eastern Europe
- (5) Africa and the Middle East
- (6) South Asia
- (7) South East Asia and the Pacific
- (8) Far East.

"2. The outgoing Board of Governors (or in the case of the first Board, the Preparatory Commission referred to in annex I) shall designate for membership on the Board two members from among the following other producers of source materials: Belgium, Czechoslovakia Poland and Portugal; and shall also designate for membership on the Board one other member as a supplier of technical assistance. No member in this category in any one year will be eligible for redesignation in the same category for the following year.

"3. The General Conference shall elect ten members to membership on the Board of Governors, with due regard to equitable representation on the Board as a whole of the members in the areas listed in sub-paragraph A-1 of this article, so that the Board shall at all times include in this category a representative of each of those areas except North America. Except for the five members chosen for a term of one year in accordance with paragraph D of this article, no member in this category in any one term of office will be eligible for re-election in the same category for the following term of office.

"B. The designations provided for in sub-paragraphs A-1 and A-2 of this article shall take place not less than sixty days before each regular annual session of the General Conference. The elections provided for in sub-paragraph A-3 of this article shall take place at regular annual sessions of the General Conference.

"C. Members represented on the Board of Governors in accordance with sub-paragraphs A-1 and A-2 of this article shall hold office from the end of the next regular annual session of the General Conference after their designation until the end of the following regular annual session of the General Conference.

"D. Members represented on the Board of Governors in accordance with sub-paragraph A-3 of this article shall hold office from the end of the regular annual session of the General Conference at which they are elected until the end of the second regular annual session of the General Conference thereafter. In the election of these members for the first Board, however, five shall be chosen for a term of one year."

It is of interest to note that the Board is vested with the authority to designate a majority of members of each succeeding Board.

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(3) Special position of the Board of Governors

10. It will be seen from the preceding brief account of the structure of the Agency that the Statute accords a special position to the Board of Governors.^{6/} The Board of the Agency is vested not only with legislative and policy-making functions, but with responsibilities of an executive and administrative character, which, in the United Nations and some other organizations, normally belong to the chief administrative officer. Thus the Board is authorized to "carry out" the functions of the Agency; the Board is also responsible for the submission of an annual budget to the General Conference and the exercise of borrowing powers on behalf of the Agency, subject to rules and limitations approved by the General Conference. The Director-General, who is appointed by the Board of Governors with the approval of the General Conference for a term of four years, is "under the authority and subject to the control of the Board". The role played by the Board in elaborating and supervising the implementation of the programme of work of the Agency is indicated by the fact that the Board held seventy-one meetings during 1958.

11. The Advisory Committee has previously, in the case of ICAO,^{7/} drawn attention to the risk of overlapping of administrative responsibility and authority between the governing body of an organization and its chief administrative officer. While strong reasons probably dictated the arrangements stipulated in the Statute of the Agency, the same risk of overlap and of unclear definition of areas of responsibility would seem to exist in the Agency also. It is possible that, with the passage of time, the Board will meet less frequently and will increasingly concentrate its attention, in respect of administrative matters, to questions of major importance.

12. It is of interest to note in this regard that in 1959 the Board plans to meet only once every three months as compared with the bi-monthly meetings of 1958. Nevertheless, this reduction in frequency of the meetings of the Board is largely

^{6/} This also obtains in ICAO, with respect to its Council. A major difference between the two bodies is that the ICAO Council has a non-voting, salaried president.

^{7/} Official Records of the General Assembly, Thirteenth Session, Annexes, agenda item 50, document A/3861, para.19.

explained by two factors. In the first place, the Board has set up a number of committees which will hereafter carry out much of the preparatory work on questions before the Board. Secondly, the preparatory stage of the Agency, which no doubt required frequent meetings of the Board, is coming to a close.

(4) Committees of the Board of Governors

13. The only permanent subsidiary organ that has been established so far by the Board of Governors is the Scientific Advisory Committee composed of seven scientists nominated by the Director-General with the concurrence of their Governments and appointed by the Board.^{8/} In addition, however, the present Board has established the following committees composed of States members of the Board itself:

- (a) Committee to Advise the Director-General on the
Permanent Headquarters 6 members
- (b) Committee on Agreements for the Supply of
Fissionable Source and Other Materials 9 members
- (c) Committee on Non-Governmental Organizations 8 members
- (d) Technical Assistance Committee^{9/} 17 members
- (e) Administrative and Budgetary Committee 13 members

14. While the existence of the several committees may simplify the task of the Board itself, it will not necessarily reduce the programme of meetings in the Agency or the workload of the Agency in terms of documentation and other meetings services. It is also likely that the greater and more frequent the number of meetings of organs and subsidiary organs, the greater the pressure on the Secretariat as regards preparatory work. The Advisory Committee trusts that the situation will be kept under review in the light of experience with the working of these arrangements.

^{8/} The present members of the Scientific Advisory Committee, which is advisory to the Director-General, are the same persons as those usually selected by their Governments to serve on the United Nations Advisory Committee on the Peaceful Uses of Atomic Energy.

^{9/} This committee should not be confused with the Technical Assistance Committee (TAC) of the Economic and Social Council.

(5) Structure of the secretariat^{10/}

15. The organizational structure of the secretariat of the Agency reflects the considerably varied tasks in which it is engaged, and provides for five main departments, each under an official at the Deputy Director-General level. Four of the departments deal with the substantive aspects of the Agency's activities while the fifth, and largest, is concerned with administration, liaison and secretariat services.

16. The Director-General is assisted in the task of co-ordinating the work of the secretariat by an inter-departmental committee which meets weekly and consists of the Director-General as the chairman and all the Deputy Directors-General. In addition, a Technical Planning Committee, composed of the Deputy Directors-General, meets regularly in order to discuss existing scientific programmes and to plan future programmes. There are also a number of other internal committees which assist in specific fields of activity.

17. The Advisory Committee naturally has a special interest in the arrangements in the secretariat relating to administrative, financial and servicing functions. The Department of Administration, Liaison and Secretariat provides these "staff and housekeeping" services; it is also concerned with the general area of liaison and advisory services. The organizational structure of this department is shown in annex III to the present report.

18. At the present time the administrative part of the secretariat may appear to be somewhat too large by comparison with the substantive and technical services. This is partly due to the fact that the Agency has found it much less easy to develop its technical services to their full strength since technical personnel, qualified in the field of atomic energy, limited in numbers as they are, are not easily spared by their countries for international work. The Advisory Committee has noted two points in this regard. In the first place, intensified efforts are being made by the Agency to secure the services, even for short periods, of qualified technical personnel. Secondly, the present administrative organization would continue by and large to be adequate to the requirements of the Agency for the next several years.

19. Apart from the representative of the Director-General at United Nations Headquarters, the Agency has no offices away from its headquarters. However,

^{10/} See annex II.

the Agency makes considerable use of the field offices and other related services of the United Nations and the specialized agencies in servicing its field missions and, generally, in its work. With the further development of its activities, the Agency may feel the need for a greater degree of assistance in the field. Such need, when it arises, can, in the Advisory Committee's view, be largely met by the assignment of individual officials of the Agency to existing field offices of other organizations of the United Nations family.

20. During the past year, the resources of the secretariat have been supplemented by panels of experts to deal with specific questions as well as by the scientists provided by Governments, at no or nominal cost, for short missions. The Advisory Committee understands that this latter arrangement has proved extremely useful to the Agency, especially in the first year of its operation, although an indefinite continuation of the arrangement on the present scale cannot, in the view of the secretariat, be taken for granted. The Committee is informed that the Agency may have to assume gradually the cost of obtaining these or similar services.

III. SCOPE OF THE PROGRAMMES OF WORK OF THE AGENCY

(1) General

21. The programmes of work of the Agency are financed at the present time through three different means, although the method of financing does not correspond with a clear line of differentiation in the nature and scope of the programmes. The three methods are: (a) the regular budget of the Agency, financed by assessed contributions; (b) the operational budget financed by voluntary contributions; and (c) the Special Account of the United Nations Expanded Programme of Technical Assistance.

22. A break-down of the estimated expenditures in 1959 from the three different sources of financing is given below:

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Table 1

IAEA: Estimated 1959 expenditures from all sources
(In thousands of US dollars)

	<u>Regular budget</u>	<u>Operational budget</u>	<u>Expanded Programme</u>	<u>Total</u>
<u>General policy:</u>				
Conference and Board	897	-	-	897
<u>Administrative and general expenses</u>	1,253	-	-	1,253
<u>Programme activities:</u>				
Scientific information and conferences	550	-	-	550
Regulatory activities	1,050	-	-	1,050
Technical assistance	1,475 ^{a/}	1,100	400 ^{b/}	2,975
Supporting technical facilities	-	400	-	400
	<u>5,225</u>	<u>1,500</u>	<u>400</u>	<u>7,125</u>

a/ This covers programmes of a broad "technical assistance" character. See para. 26.

b/ This figure is minimal. Following an initial allocation of \$200,000, the Agency was advised that, on the basis of demonstrated needs, additional funds bringing the Agency's share up to \$500,000 could be made available from the Contingency Fund of the Executive Chairman of TAB.

(2) Programmes under the regular budget^{11/}

23. The programmes financed from the regular budget of the Agency cover scientific information and conferences, regulatory and standard-setting functions and a fair amount of what may be called "technical assistance" in the broad sense of the term.

11/ The term "regular budget" is used here, as it is generally understood in United Nations organizations, to denote the basic budget which is financed by assessments on all member States in accordance with a scale normally determined by the supreme legislative body of the organization concerned. The corresponding budget in IAEA is called the "administrative" budget, a somewhat misleading term on which the Advisory Committee commented in 1958 (Official Records of the General Assembly, Thirteenth Session, Annexes, agenda item 50, document A/4016, paras. 6 and 8). Beginning with the 1960 budget, the Secrétariat is proposing the use of the term "regular budget" instead.

24. The work in respect of scientific information, seminars and conferences is generally related to the Agency's responsibilities concerning the dissemination and exchange of information in fields having to do with the peaceful uses of atomic energy. More particularly, the Agency's efforts are also directed to preparing the ground for specific activities connected with its regulatory functions.

25. Under article XIII of its Statute, the Agency has certain responsibilities both for the establishment and administration of safeguards against diversion to military purposes of materials services and facilities made available by it, and for the elaboration of international health and safety standards as concerns atomic radiation. Examples of matters falling within the latter function are the development of regulations relating to third party risks resulting from atomic radiation, questions relating to the transportation of isotopes, waste disposal in international waters, and the protection of the environments of reactors.

26. A substantial portion of the regular budget is concerned with assistance to member States in the broad sense of the term. This assistance takes varied forms. It includes conferences and symposia which indirectly assist member States through the subsequent dissemination of the scientific information disclosed at such meetings. It includes exploratory missions by staff members and consultants to member States for the purpose of studies preliminary to the preparation of an Agency project and for work in the actual preparation of such projects. The staff of two secretariat divisions (Education and Training, and Economic and Technical Assistance), financed entirely from the regular budget, are devoted to the administration of fellowships and special projects which are financed from the special operations budget. On the other hand, there are no funds in the regular budget itself for the provision of experts on specific projects in a member State or for fellowships and training facilities.

27. There is obviously some difficulty in the Agency in classifying expenditures according to a clear definition of technical assistance owing, in part, to the fact that a substantial part of the Agency's basic programme has itself the broad character of assistance to member States.

(3) Programmes under the operational budget

28. In 1958, the operational budget, which was relatively small at \$125,000, was devoted exclusively to the exchange and training of scientists, that is the award

of fellowships. Out of a total number of 287 applications for fellowships received in 1958, awards were made in 210 cases, representing some 73 per cent. A major part of the \$1,500,000 that has been set as a target for 1959 will also be expanded on fellowships.

29. An amount of \$400,000 was also approved in the 1959 budget for the construction of functional laboratory facilities needed to carry out activities in connexion with the Agency's statutory functions.

(4) Agency participation in the Expanded Programme of Technical Assistance

30. Beginning with 1959, the Agency participates in the Expanded Programme of Technical Assistance. Following an initial allocation of \$200,000, the Agency has been advised that on the basis of demonstrated needs, additional funds bringing the Agency's share up to \$500,000 could be made available from the Chairman's Contingency Fund. Expenditure in 1959 is estimated as at 1 April at a minimum figure of \$400,000, mostly on fellowships.

(5) Fields of activity covered by IAEA programmes

31. The distribution of expenditures in 1958, the initial year of operations, among fields of activity is shown in the following table.

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Table 2

IAEA: 1958 expenditures^{12/} by fields of activity

	<u>Regular budget</u>		<u>Operational budget</u>		<u>Amount</u> (US dollars)	<u>Total</u> <u>Percentage</u>
	<u>Amount</u> (US dollars)	<u>Percentage</u>	<u>Amount</u> (US dollars)	<u>Percentage</u>		
Exchange and training of scientists	92,471	11.77	125,000	100	218,471	23.98
Scientific and technical information	142,790	18.19	-	-	142,790	15.67
Economic and technical assistance	91,819	11.70	-	-	91,819	10.08
Reactors	60,942	7.76	-	-	60,942	6.69
Technical supplies	56,617	7.21	-	-	56,617	6.21
Health, safety and waste disposal	97,537	12.42	-	-	97,537	10.71
Research	165,493	21.08	-	-	165,493	18.16
Isotopes	59,958	7.64	-	-	59,958	6.58
Safeguards	17,483	2.23	-	-	17,483	1.92
Inspection	-	-	-	-	-	-
	<u>785,110</u>	<u>100.00</u>	<u>125,000</u>	<u>100</u>	<u>911,110</u>	<u>100.00</u>

^{12/} The figures include salaries and wages, common staff costs, staff travel, consultants and other temporary staff, seminars and meetings, hospitality, contractual scientific services, scientific and technical supplies and equipment. They do not include common services and supplies or permanent office equipment and furniture.

32. While a considerable acceleration of the programme is expected in 1959, no radical changes are likely to take place in the general pattern of distribution of the expenditure among the several fields of activity. Nevertheless, it is anticipated that there may be a relatively greater increase in such fields as scientific information, meetings and seminars, and reactors.

IV. DEVELOPMENT AND INTEGRATION OF IAEA PROGRAMMES

(1) General

33. The procedures for the formulation, review, approval and implementation of programmes of work are virtually identical for all programmes regardless of how they are eventually financed. All work programmes and projects are consequently included in a general way in the single annual document on the programme and budget submitted by the Board of Governors to the General Conference.

(2) Procedures for the implementation of programmes

34. The standard procedure for the planning of the Agency's scientific and technical operations other than fellowships usually consists of a number of steps:

- (a) Initial planning by divisions, in response to the annual budget call issued in December of the second year preceding the programme and budget year in question; and review within the technical departments concerned;
- (b) Review by the Inter-Departmental Technical Planning Committee, consisting of the heads of the technical departments,^{13/} to ensure the technical soundness, feasibility and integration of the work programme;
- (c) Review and approval by the Director-General's Inter-Departmental Committee, consisting of the Director-General and the heads of all departments;

^{13/} The secretariat of this committee is provided by the Budget Office, and the head of the Department for Administration, Liaison and Secretariat attends the meetings in an advisory capacity.

- (d) Submission to the Board of Governors, and review by the Administrative and Budgetary Committee of the Board;
- (e) Submission to the General Conference, and review by the Programme, Technical and Budget Committee of the Conference;
- (f) Approval by the General Conference in the autumn of the year preceding the programme and budget year in question.

35. Although these procedures appear somewhat elaborate, it is understood that they are much simpler in practice. One point which is worthy of comment is that, as a result of leaving the initiative for programme formulation with individual divisions, it becomes necessary to integrate into a programme elements that are separately conceived, as distinct from working out detailed plans within a general plan of work which in broad outline is already envisaged. However, any resulting disadvantage is appreciably reduced, in terms of implementation of programmes, by the further attention that is given to the development of actual plans of implementation within the framework of the approved programme. This second review of programmes is dealt with in the succeeding section of the present report.

(3) Procedures for the implementation of programmes

36. Within the framework of the annual programme and budget, specific technical assistance projects are planned initially without regard to the eventual source of finance. The decision whether to use funds from the operational budget, or to seek financing under the Expanded Programme,^{14/} is taken subsequently in the light of available resources, and considerations such as a request by a recipient Government that a project should be financed from Expanded Programme funds. The steps involved in the implementation of a specific project are:

- (a) Development of detailed plans of implementation by the division concerned; and departmental review of the plans;
- (b) Notification of plans to the Director-General's Inter-Departmental Committee;

^{14/} This procedure presumably is limited to 1959, pending the application to the Agency of the country-programming procedures of the Expanded Programme. See also paragraphs 42 and 43.

(c) Submission of major projects to the Board of Governors for its specific approval, with a preliminary review, where appropriate, by the Board's Committee on Technical Assistance;

(d) Execution of plans by the division or divisions concerned.

37. The procedure, reflected in step (c) above, for review and approval by the Board of Governors and its Committee on Technical Assistance may need to be studied further in order to establish clearer criteria to determine which projects require submission to the Board.

(4) Fellowships

38. A special procedure has been devised for the award of fellowships, by which the Division of Exchange and Training is basically responsible for the administration of the fellowships programme, but makes full use, wherever appropriate, of other technical divisions. Awards of fellowships are made by the Director-General on the advice of the Head of the Department of Training and Technical Information and in accordance with general rules approved by the Board of Governors. In this regard, the procedure differs from that relating to other technical assistance projects which are subject to detailed review and approval by the Board.

39. The Advisory Committee has gone into the details of the procedures for the selection of fellows; while these procedures generally follow the practices of other international organizations, they may need to be strengthened in order to ensure that available funds are utilized most effectively for training in advanced atomic science, most related to the various national needs.

(5) Other projects

40. Special procedures have also been established in regard to the formulation and implementation of other parts of the Agency's programme such as fuel supply projects, conferences and seminars, and research contracts. The Advisory Committee has received detailed information on these procedures, and has no comments to offer thereon at the present time.

41. As regards exploratory missions, the Advisory Committee understands that such missions in future will be carefully planned on the basis of the over-all programme of the Agency and that their composition will be such as to reduce to a minimum the need for including administrative and servicing staff.

(6) Integration of the Agency in the country-programming procedures of the Expanded Programme of Technical Assistance

42. The fact that the Agency had only recently begun participating in the Expanded Programme precluded it from following the usual country-programming procedures (Economic and Social Council resolution 542 B (XVIII) of 29 July 1954) in formulating its 1959 programme to be financed from the Special Account of the Expanded Programme. Consequently, the 1959 programme has been developed on the basis of requests received direct from member States and the recommendations of the preliminary assistance mission or missions and the exploratory missions. No distinction has been drawn in respect of examination of requests between projects financed from the Special Account and those financed out of the Agency's own resources. The Advisory Committee understands that the fullest possible use has been made for this purpose, of the TAB resident representatives as well as of the regional offices of the specialized agencies.

43. The Advisory Committee notes further that the Agency considers its full and speedy integration in the country-programming procedures as most desirable and that it wishes to use the services of the TAB resident representatives to the fullest extent possible. The Committee is however informed that this process may be somewhat slow owing to two factors: (a) the lack or slow emergence in the less developed countries of a body of law and of administrative arrangements and practices regulating the peaceful uses of atomic energy; and (b) the absence of regional offices of the Agency. While the first factor is largely dependent on Governments, any retarding effect of the second factor can be overcome by the utilization of TAB resident representatives, by the visits of exploratory missions, and, if necessary, by the assignment of Agency personnel to existing regional offices of sister organizations.

(7) Co-ordination and integration of programmes

44. It will be seen from preceding paragraphs that the procedures followed in the Agency for the development and implementation of programmes greatly facilitate the integration of the severally financed activities. Programme co-ordination between the Agency, on the one hand, and the United Nations and the specialized agencies, on the other, is sought not only through formal agreements but, and even more importantly, through close co-operation at the working level on a continuing basis.

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The Advisory Committee understands that this is particularly effective in respect of the Agency's programme of meetings and seminars, which is circulated to all interested organizations sufficiently in advance to avoid duplication of effort and to facilitate joint sponsorship and, in some cases, joint financing. On the other hand, the Committee learns that it has not been possible as yet to discuss with other agencies the feasibility of joint efforts in the matter of laboratories and research.

45. The Agency also maintains close working relationships with various regional inter-governmental agencies and with international non-governmental organizations in the field of atomic energy.^{15/}

V. ADMINISTRATIVE ASPECTS OF AGENCY PROGRAMMES

(1) General administration

46. Reference has already been made at various points in the preceding sections to certain of the administrative aspects of the work of the Agency, and more particularly to the organization of the secretariat and the machinery within the secretariat for dealing with various administrative matters. Attention has also been drawn to the size of the administrative set-up in relation both to the total programme of the Agency and to the technical requirements of that programme. It is hoped that over the next few years the administrative arrangements in the secretariat will remain somewhat stable, and that any expansion of the establishment will be confined largely to certain technical divisions. In many cases, and particularly in respect of the exploratory missions mentioned in paragraph 26, it may be difficult to isolate what may be termed administrative and servicing costs as distinct from direct assistance to a member State. Continuing attention would

^{15/} In accordance with a resolution adopted by the General Conference at its first special session, the following six inter-governmental organizations were invited to attend the second session of the General Conference: Commission for Technical Co-operation in Africa South of the Sahara (CCTA); European Council for Nuclear Research (CERN); European Atomic Energy Community (EURATOM); Joint Institute for Nuclear Research; Organization of American States (OAS); European Nuclear Energy Agency of the Organization for European Economic Co-operation (OEEC). Action is pending on the grant of consultative status to some twelve international non-governmental organizations.

need to be devoted to ensuring that semi-operational activities do not involve unduly heavy administrative cost and servicing.

47. The distribution of established posts in the Agency by organizational segments is shown in annex IV to the present report.

48. The Advisory Committee notes also that in the organization of the administrative, financial and servicing segments of the secretariat, the Agency has been able to utilize the experience of other United Nations organizations through secondment of officials from those organizations. While this has facilitated the work of the Agency, especially in the initial stage, it may not have encouraged the Agency, in some instances, to attempt new and more rational procedures in administrative and financial organization and control.

49. The Advisory Committee has enquired into the arrangements and procedures followed in such matters as personnel recruitment, staff services, organization and methods, executive officer functions including departmental administrative work, conference services, communication and records, purchase, procurement and transportation, and maintenance of premises. While these procedures largely follow those traditionally in effect in other international organizations, the Committee has gained the impression that there is in the Agency a relatively greater degree of centralization of administration.

50. Reference has been made in paragraph 18 above to the difficulty of recruiting appropriately qualified scientific and technical personnel. In order to minimize this difficulty, the Board of Governors has granted authority to the Director-General to pay, in exceptional cases, a special annual allowance not exceeding \$1,800. The Advisory Committee understands that recourse has been made to this provision only in six cases so far, and even in those cases not up to the full amount of the allowance.

51. As regards documentation, the Advisory Committee notes that the Board of Governors has decided to have only summary records of its proceedings, although any member may at any time request the inclusion of a particular statement. The committees of the Board have dispensed with summary records and bring out only a record of decisions or recommendations. The Administrative and Budgetary Committee, however, produces a substantial report on the budget as initially developed by the Director-General, in which its views on the various questions within its competence are set forth in detail.

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(2) Administrative support for technical assistance projects

52. The administrative servicing of a technical assistance project covers various stages, from the receipt of the request from the Government, through the recruitment and briefing of experts or fellows and servicing in the field, to the final report on the project. In the Agency, the Division of Economic and Technical Assistance, in the Department of Technical Operations, has primary responsibility for the evaluation of the project request, and the working out of such details as the number of experts required, their qualifications, the approximate duration of the project, equipment required, if any, and type of reporting by the project personnel. The division relies on advice from the competent technical departments and divisions in determining the technical soundness of a project.

53. The Administrative Office of Technical Assistance, in the Department of Administration, Liaison and Secretariat, is responsible for co-ordinating all non-substantive aspects of projects as well as for liaison with the central organs of the Expanded Programme, and with Member States in regard to project agreements, the acceptance of personnel and financial and administrative support.

54. In addition to the Economic and Technical Assistance Division and the Administrative Office of Technical Assistance, there is also an Inter-Departmental Co-ordinating Committee for Technical Assistance,^{16/} which is responsible for continuing review and co-ordination of all technical assistance activities, including recommendation to the Director-General of a chief of project to direct the field work of each technical assistance group or team; selection and recruiting of experts and the members of the field teams, subject to prior approval of the Director-General; assuring the sound management of each project, and the preparation and review of reports and projects for submission to the Director-General. Furthermore, as mentioned in paragraph 38 above, the administration of the fellowships programme is the responsibility of the Division of Exchange and Training.

^{16/} This committee is composed of:

- (a) Director of the Division of Economic and Technical Assistance (Chairman);
- (b) Head of the Administrative Office of Technical Assistance;
- (c) One member designated by the Deputy Director-General for Research and Isotopes;
- (d) One member designated by the Deputy Director-General for Exchange and Training;
- (e) Director of the Division of External Liaison;
- (f) Director of the Division of Budget and Finance;
- (g) The project officer in respect of the project in question.

55. While it would appear that the division of responsibilities among the units mentioned above is somewhat vague and complex, the Advisory Committee has been assured that in actual practice these arrangements have worked smoothly. The inter-departmental committee acts as a single point of contact for co-ordinating all substantive aspects of the Agency's technical assistance activities. Similarly the Administrative Office of Technical Assistance constitutes a single administrative service to provide to all departments, mainly through the committee, co-ordinated administrative support for all technical assistance activities of the Agency. The Advisory Committee is informed that by establishing these two organizational units, the Director-General relieved the departments from the burden of much administrative detail and eliminated the need, within the departments, of special administrative units dealing with technical assistance.

56. The Advisory Committee is nevertheless inclined to the view that some simplification of the machinery, and in particular of the functions covered by the Economic and Technical Assistance Division, the Administrative Office of Technical Assistance and the Division of Exchange and Training, should be possible in the light of experience, as less formal lines of co-ordination and better understood procedures are established.

(3) Administrative and operational services costs

57. The question whether the Agency should seek a lump-sum reimbursement from the Special Account of the Expanded Programme in respect of the administrative and operational services costs of the Agency's share of that programme will be considered by the Board of Governors at its session to be held in June 1959. Such costs in respect of the 1959 programme of some \$400,000 are estimated at between \$50,000 and \$60,000.

58. The Agency has so far provided in its regular budget the administrative support necessary for its operational programmes financed by voluntary contributions. Thus, for 1959, the entire amount of \$1.5 million in the operational budget will be devoted to programme activities, the necessary administrative services being provided by the Agency secretariat, which is wholly financed from the regular budget.

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(4) Co-ordination with the United Nations and the specialized agencies

59. The Secretariat of the Agency participates in the Administrative Committee on Co-ordination and its subsidiary bodies with a view to having continuing co-ordination with other organizations of the United Nations system. The Agency has made good progress in following common staff and financial regulations, with only such modifications as are necessary because of statutory requirements, as well as the established practices in the United Nations in respect of various other administrative matters.

60. A unique feature in the practical arrangements in respect of co-ordination between the United Nations and the Agency is the designation by the Secretary-General of a permanent representative at the headquarters of the Agency in Vienna. The Agency is similarly represented at United Nations Headquarters by a resident representative of the Director-General. These arrangements may be considered useful in the early stages of the organization of the Agency.

61. Another point that merits special mention concerns the provisions in the Agreement between the United Nations and the Agency, in respect of budgetary and financial arrangements. These provisions (article XVI)^{17/} do not envisage, as

17/ Article XVI reads as follows:

"1. The Agency recognizes the desirability of establishing close budgetary and financial relationships with the United Nations in order that the administrative operations of the United Nations, the Agency and the specialized agencies shall be carried out in the most efficient and economical manner possible, and that the maximum measure of co-ordination and uniformity with respect to these operations shall be secured.

"2. The Agency agrees to conform, as far as may be practicable and appropriate, to standard practices and forms recommended by the United Nations

"3. The Agency agrees to transmit its annual budget to the United Nations for such recommendations as the General Assembly may wish to make on the administrative aspects thereof.

"4. The United Nations may arrange for studies to be undertaken concerning financial and fiscal questions of interest to the Agency and to the specialized agencies with a view to providing common services and securing uniformity in such matters."

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do the agreements between the United Nations and most of the specialized agencies,^{18/} the possibility of an eventual incorporation of the Agency's budget in an over-all consolidated budget for the United Nations and related organizations. As against this, however, the Agreement with the Agency includes a special provision on co-ordination (article XI), which is not present in the agreements between the United Nations and the specialized agencies.

VI. FINANCIAL AND BUDGETARY CONTROL AND PROCEDURES

(1) General comments

62. In its report on the 1959 administrative budget of the Agency,^{19/} the Advisory Committee expressed the view that there might be a need to re-examine,

^{18/} Provision for consultations with the United Nations concerning "appropriate arrangements for the inclusion of the budget of the Organization within a general budget of the United Nations" is made in the agreements with FAO and UNESCO; provision for consultations concerning "the desirability" of such arrangements is made in the agreements with the ILO, ICAO, WHO and WMO.

Article XI of the Agreement reads as follows:

"The United Nations and the Agency recognize the desirability of achieving effective co-ordination of the activities of the Agency with those of the United Nations and the specialized agencies, and of avoiding the overlapping and duplication of activities. Accordingly, the Agency agrees to co-operate, in accordance with its statute, in measures recommended by the United Nations for this purpose. Furthermore, the Agency agrees to participate in the work of the Administrative Committee on Co-ordination and, as appropriate, of any other bodies which have been or may be established by the United Nations to facilitate such co-operation and co-ordination. The Agency may also consult with appropriate bodies established by the United Nations on matters within their competence and on which the Agency requires expert advice. The United Nations, on its part, agrees to take such action as may be necessary to facilitate such participation and consultation."

^{19/} Official Records of the General Assembly, Thirteenth Session, Annexes, agenda item 50, Document A/4016, para. 10.

in the light of experience, the somewhat complex funding arrangements in the Agency,^{20/} with a view to the adoption of simpler financial and accounting procedures. The complexity of the arrangements is basically attributable to the stipulations in the Agency's Statute, and until appropriate amendments to the Statute can be considered, there appears to be little that can be done to simplify the present funding arrangements.

63. The Advisory Committee understands that the Agency has under consideration the question as to whether advances may be made from the Working Capital Fund of the Agency to finance operational programmes which are funded by voluntary contributions, pending receipt of those contributions. The Working Capital Fund, which is based on the scale of assessments in respect of the regular budget, is directly related to that budget. At the same time, the problem which gives rise to the need for working capital in regard to the regular budget exists also for the operational budget, and has to be met if an effective operational programme is to be implemented. It may be possible, over a period of years, to build up a working capital or reserve fund related to the operational budget in order to meet the problem of cash availability for operational programmes.

20/ The Agency has the following funds:

- (i) Administrative fund from which "administrative" expenses are met and to which "assessed" contributions are credited;
- (ii) Operating fund, part I, covering expenses and income relating to the Agency's own technical facilities and their provision to members at charge;
- (iii) Operating fund, part II, covering expenses and income relating to the provision of materials, services, equipment or facilities to members under agreement between them and the Agency against charge;
- (iv) General fund fed by voluntary contributions and used as appropriate, to meet additional expenses under (ii) and (iii) above; and
- (v) Working capital fund, made up of advances from member States, and to be used for purposes to be determined from time to time by the Board of Governors, with the approval of the General Conference.

(For details, see the financial regulations of the Agency, and in particular, regulations 3.06, 3.07, 4.01 to 4.04, 6.09 to 6.11, and 7.01 to 7.08).

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64. In the light of the foregoing financial aspects of the Agency, it would be useful to include in the bi-monthly reports of the Director-General to the Board of Governors adequate information on the financial situation and operations of the Agency.

(2) Procedures for budget review and approval

65. Under article XIV of the Statute of the Agency, it is the responsibility of the Board of Governors to submit to the General Conference the annual budget estimates^{21/} for the expenses of the Agency. To facilitate the work of the Board in this regard, the estimates are initially prepared by the Director-General. If the General Conference does not approve the estimates, it returns them together with its recommendations to the Board which then submits revised estimates to the Conference for its approval.

66. The principal steps in the preparation of the budget and its execution are reflected in the procedures for the planning and implementation of the programmes of the Agency, which have been outlined in section IV above.

67. The initial estimates in respect of the regular budget are developed by the budget office on the basis of schedules submitted by the various divisions. Estimates of common staff costs are made in consultation with the Division of Personnel, and estimates for general supplies and permanent equipment in consultation with the Division of Conference and General Services. The estimates are then reviewed successively by the Deputy Director-General for Administration, Liaison and Secretariat and the Director-General's Inter-Departmental Committee, and are subsequently incorporated in the initial draft of the programme and budget of the Agency. The programme and budget, as considered and approved by the Board of Governors, is submitted by the Board to the General Conference.

68. In its examination of budgetary questions, the Board of Governors is assisted by its Administrative and Budgetary Committee, which consists of thirteen member States drawn from the Board.

^{21/} These cover estimates under both the regular and the operational budgets.

69. Expenditures under the approved budget are controlled through allotments issued on a quarterly basis by the budget office, under the authority of the Deputy Director-General for Administration, Liaison and Secretariat. Any transfers between budget sections which may become necessary in the course of the year are submitted, with the necessary supporting justification, by the Director-General to the Board of Governors for its prior approval.

70. The budget and the plans of expenditure in respect of programmes financed from voluntary contributions are developed and reviewed in accordance with the procedure, indicated in section IV above, for the development, review and approval of the related programmes.

71. As regards the operational budget, authority to incur obligations is given to the Director-General by the Board of Governors, periodically in the course of the year, on the basis of detailed plans submitted by the Director-General, in the light of requests received from Member States and the actual level of the General Fund. Through these authorizations, the Board determines the allocation of voluntary funds to the different operational programmes of the Agency.

(3) Procedures of financial control

72. All funds are subject to allotment control. Individual allotments are made with respect to project type activities such as seminars, panels of experts and all technical assistance projects. Procurement transactions in excess of \$1,000 are reviewed by a Contract Review Committee. All travel plans are reviewed and recommendations thereon made to the Director-General by a Travel Co-ordination Committee. Manning tables are maintained, and proposed temporary assistance employment is reviewed by the Budget Office. Similarly, proposed publications are reviewed and recommendations are made thereon to the Director-General by a Publications Committee. The employment of consultants can be authorized only by the Deputy Directors-General and, if the employment is of a long-term character, by the Director-General himself. Permanent equipment is controlled through numbered tags or machine serial numbers and periodic inventories.

(4) Other matters

73. During its consultations with the Director-General, the Advisory Committee also considered the following four specific points, which the Director-General had raised with the Committee:

- (a) Interpretation and application of the Agency's financial regulation 5.03;
- (b) The external audit of the accounts of the Agency;
- (c) The establishment or perfection of a clearing system within the United Nations family for currency utilization;
- (d) Representation allowances and hospitality funds.

Points (a) and (d) were raised at the specific request of the Board of Governors of the Agency; in addition, point (a) was to be an item on the agenda of the April meeting of the Board.

74. The Advisory Committee has expressed its views on points (a) and (d) in a communication which the Chairman of the Committee sent on its behalf to the Director-General on 2 April 1959.

75. As to point (b), the Advisory Committee can appreciate that the arrangement providing for a three-member Board of Auditors for the Agency, following the situation in the United Nations, is somewhat cumbersome and expensive. The Committee notes in this regard that the normal arrangement in a specialized agency is to have one external auditor. One special and practical reason for the creation of a Board of three members in the United Nations was to have a reasonable division of the substantial total audit work in the Organization covering a number of offices in different parts of the world.

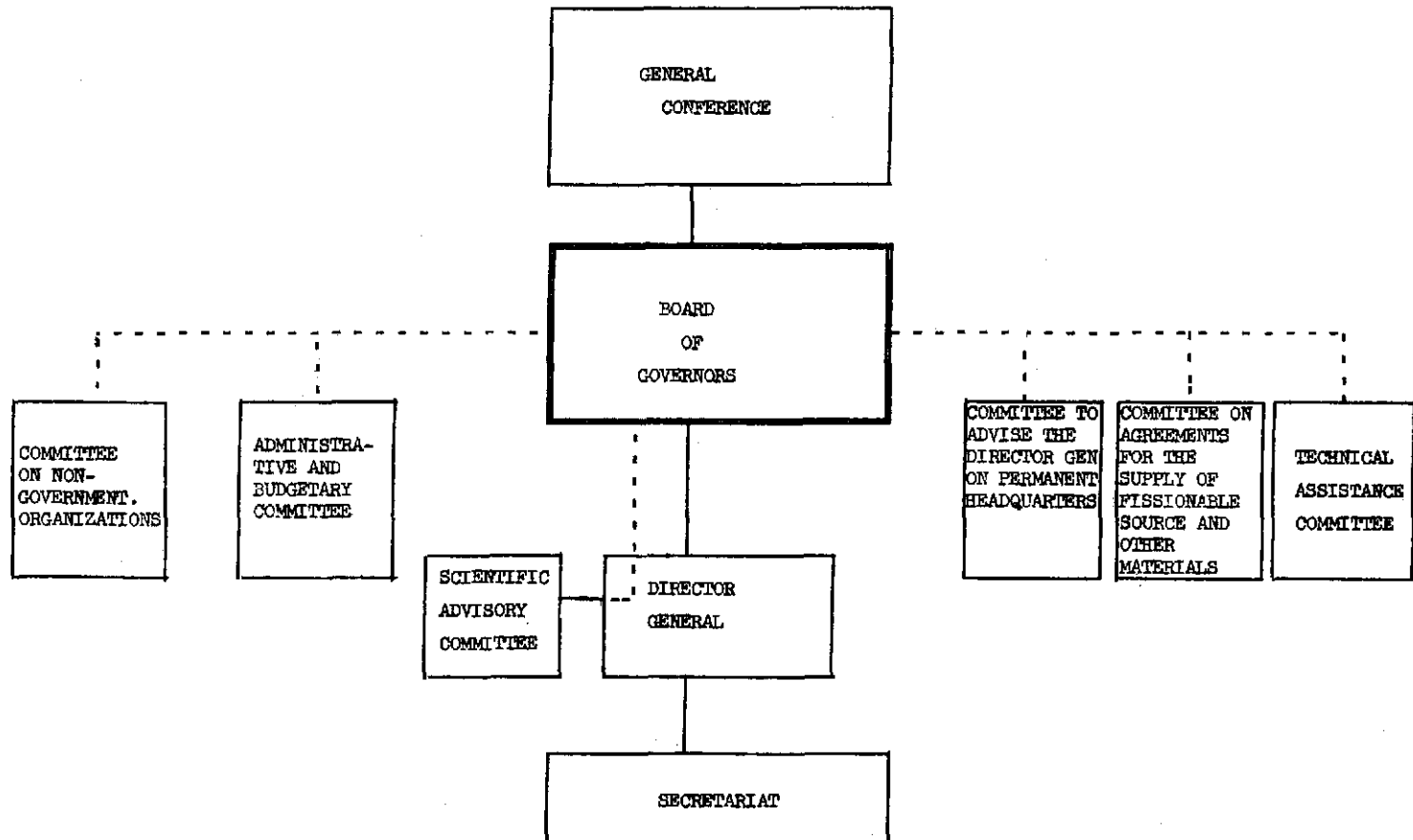
76. The Advisory Committee would suggest that the legislative organs of the Agency should give serious consideration to an amendment of the financial regulations to provide for a single external auditor for the Agency.

77. Where point (c) is concerned, it would appear that the Agency has a special problem in securing and managing a number of different currencies. The problem involves far more than issues of a mere financial and exchange nature, and it would be useful to isolate the administrative elements of the question from its broader policy aspects. The Advisory Committee accordingly believes that the matter merits further investigation and study at the inter-secretariat level, perhaps through the Administrative Committee on Co-ordination, and, if necessary, later at the legislative level.

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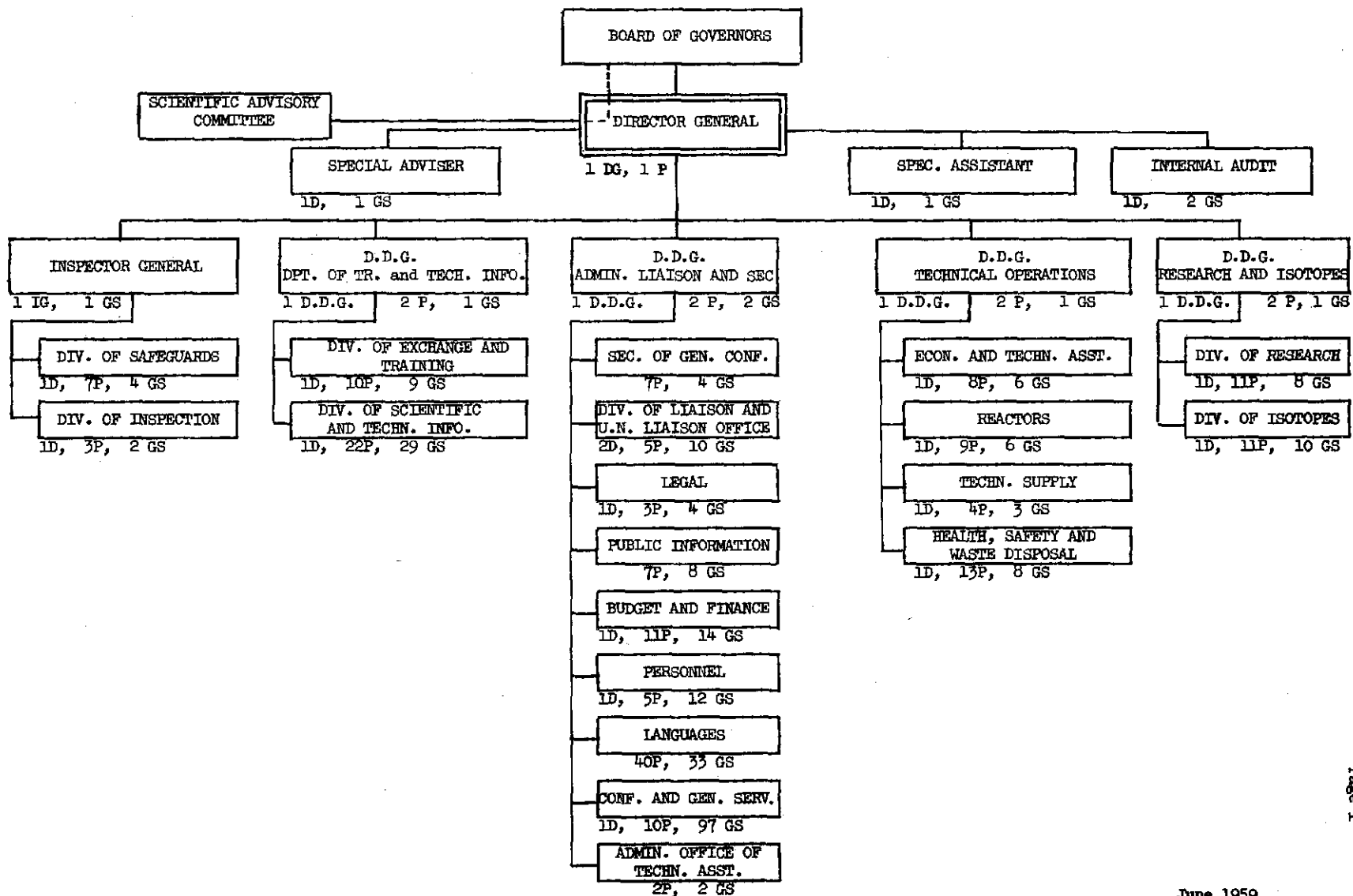
ANNEX I

STRUCTURE OF THE INTERNATIONAL ATOMIC ENERGY AGENCY



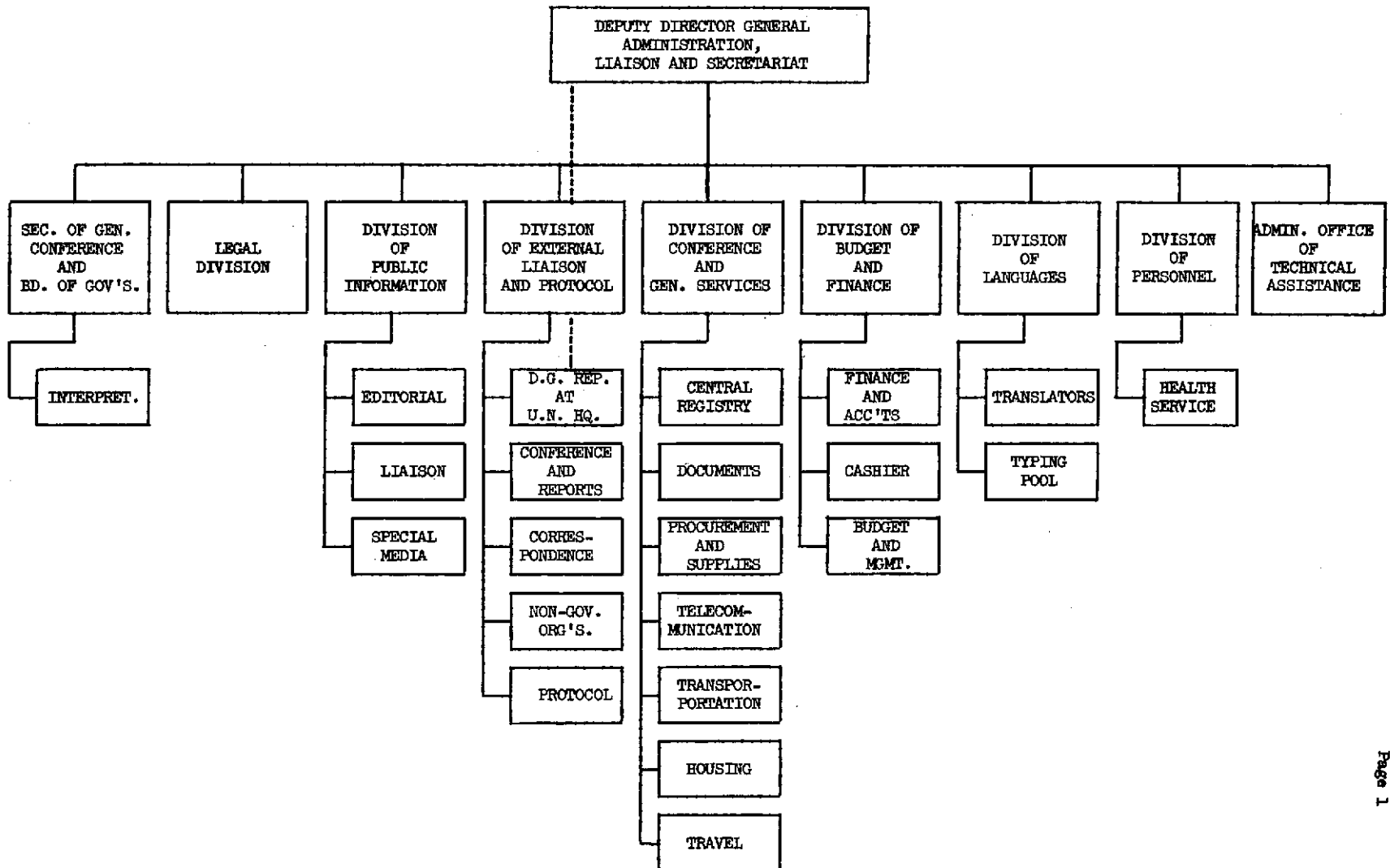
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ANNEX II
IAEA
ORGANIZATIONAL STRUCTURE OF THE SECRETARIAT



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ANNEX III
IABA
ORGANIZATIONAL STRUCTURE OF THE DEPARTMENT OF ADMINISTRATION
LIAISON AND SECRETARIAT



ANNEX IV

Distribution of established posts, by organizational segments

	DG	DDG	D	Professional	General Service	Total
OFFICE OF THE DIRECTOR GENERAL	1		2	1	2	6
Office of Internal Audit				1	2	3
DEPARTMENT OF TRAINING AND TECHNICAL INFORMATION		1		2	1	4
Division of Exchange and Training of Scientists and Experts			1	10	9	20
Division of Scientific and Technical Information			1	22	29	52
DEPARTMENT OF TECHNICAL OPERATIONS		1		2	1	4
Division of Economic and Technical Assistance			1	8	6	15
Division of Reactors			1	9	6	16
Division of Technical Supplies			1	4	3	8
Division of Health, Safety and Waste Disposal			1	13	8	22
DEPARTMENT OF RESEARCH AND ISOTOPES		1		2	1	4
Division of Research			1	11	8	20
Division of Isotopes			1	11	10	22
DEPARTMENT OF SAFEGUARDS AND INSPECTION		1		1		2
Division of Safeguards			1	7	4	12
Division of Inspection			1	3	2	6
DEPARTMENT OF ADMINISTRATION, LIAISON AND SECRETARIAT		1		2	2	5
Secretariat of the General Conference and the Board of Governors				7	4	11
Division of External Liaison and Protocol and Office of the Representative of the Director-General at United Nations Headquarters			2	5	10	17
Legal Division			1	3	4	8
Division of Public Information				7	8	15
Division of Budget and Finance			1	11	14	26
Division of Personnel			1	5	12	18
Administrative Office of Technical Assistance				2	2	4
Division of Conference and General Service			1	10	97	108
Division of Language Services				38	33	71
Total	1	5	18	197	278	499

DG - Director-General

DDG - Deputy Director-General

D - Director and Principal Officer category

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 English
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