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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. In accordance with its terms of reference, 1/ the Advisory Committee on Administrative and Budgetary Questions met in 1986 with the executive heads (or their senior representatives) of the following organizations whose agreements with the United Nations provide for transmittal of their budgets for review by the General Assembly: 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 Universal Postal Union (UPU), the World Health Organization (WHO), the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), the International Maritime Organization (IMO), the World Intellectual Property Organization (WIPO), the International Fund for Agricultural Development (IFAD), the United Nations Industrial Development Organization (UNIDO) and the International Atomic Energy Agency (IAEA).
2. The Advisory Committee extends its thanks to the executive heads of the specialized agencies and of IAEA for their assistance in connection with the preparation of the present report.
3. Section II contains general observations and tables with comparative data on the agencies and the United Nations. Section III deals with the budgets of the individual agencies.

II. GENERAL OBSERVATIONS AND COMPARATIVE TABLES

4. Two special topics were taken up by the Advisory Committee during its consideration this year of administrative and budgetary co-ordination between the United Nations and the specialized agencies and IAEA.
5. The first special topic was the administration of justice and procedures for the redress of staff grievances in the individual agencies. The Advisory Committee will submit its observations and recommendations in the context of its consideration of a related report on this subject to be submitted by the Secretary-General of the United Nations to the General Assembly at its forty-second session. 2/ The Committee will also have before it, the report of the Joint Inspection Unit (A/41/640, annex) on the same subject.
6. The second special topic was the use made, if any, by the agencies of recent technological innovations for computer-based communications. Discussions focused on how the use of such technological innovations has affected the working environments and practices of the organizations and their immediate and potential impact on budgetary requirements for more traditional means of communications (mail, pouch, cables, telex, telephone, travel) as well as staff requirements (increased productivity, reduced manpower needs).
7. Information provided to the Advisory Committee indicates that the bulk of agency (including United Nations) communications continues to be carried out by traditional means (mail, pouch, cables, telex, telephone, travel). At the same

time, all the organizations are conscious of the potential benefits of new technology available and are, individually or in consultation with each other, considering or acquiring various types of computer-based communications equipment. In this connection, size of the organization (i.e. volume of communications traffic), budgetary considerations and certain other factors influence the approach adopted by each agency.

8. The United Nations, for example, is in the process of acquiring a digital Private Automated Branch Exchange (PABX), purchase of which was approved in 1985. ^{3/} When it becomes operational in mid-1987, it is expected to provide the organization with a better method of monitoring and controlling telephone calls to overseas destinations and routing them over the lowest-cost circuits. The PABX would also be able to act as a switch for the network of leased dedicated alternate voice data (AVD) circuits between New York and major duty stations, expansion of which was authorized in 1984. ^{4/} The use of such AVD circuits provides capability to carry out teletype, facsimile and electronic data traffic generated between connected duty stations, as well as a significant portion of the long-distance telephone traffic. (Subject to the volume of traffic, the cost of leasing such lines tends to be more economical than using commercial facilities.) Furthermore, the use of word processing and computer equipment in conjunction with the two above-mentioned technological innovations possesses the potential for communicating word processors and computers.

9. A number of Swiss-based agencies (ITU, UPU, WIPO, WMO) expressed the view that, since they considered their existing facilities to be generally adequate to meet current communications needs, investment in digital PABX equipment or dedicated AVD circuits involving significant expenditure was not warranted at this time. However, ILO and WHO are looking into the possibility of acquiring digital PABX systems for their headquarters offices in the future. In this connection, ILO has pointed out that the use of PABX for the purpose of routing telephone calls over the lowest-cost circuits is not possible in Switzerland where, unlike the United States, the national post and telegraph authority has a monopoly.

10. In the case of the Vienna-based agencies, the Vienna International Centre (VIC) and its technical equipment was financed by the host country, with only maintenance costs to be paid out of organizational budgets. For this reason neither IAEA nor UNIDO has any plans to invest in a digital PABX system or dedicated AVD circuits at this time. UNESCO (Paris-based), FAO, IFAD (Rome-based), IMO (London-based) and ICAO (Montreal-based) also have no plans to make new investments in such equipment for the present.

11. All the agencies are nevertheless actively experimenting with or using other technological innovations for computer-based communications to improve and enhance internal communications capabilities both within their respective headquarters offices and between headquarters and the field. For example, WHO has recently completed installation at its headquarters of a multi-channel, high capacity Local Area Network (LAN). The LAN (cable plant, hardware and software) provides the means for inter-connecting a variety of mainframe, micro-computer, word processing and communication equipment within the headquarters buildings. In addition, during 1986, WHO is installing a "gateway" linking its LAN system to international

carriers. This will enable equipment connected to its LAN to establish feasible systems of communications with Regional Offices, international data bases, etc. ILO, FAO and IAEA have also indicated that they are considering acquiring LANs to meet present and foreseeable needs. IAEA plans to conduct equipment tests during 1986.

12. ITU is installing a store-and-forward switch which, among other things, automates the processing of telex messages. It also improves the speed of transmission by the use of Teletex, which is about 50 times faster than telex.

13. WIPO has recently installed a telecommunications link between its computer system and those of photocomposers of several printers in Switzerland for the purpose of transmitting the texts of four monthly publications and other non-recurrent publications.

14. Other innovations being tested and introduced by the agencies include facsimile and electronic mail systems and machine-assisted translation (MAT) of documents (using EEC, OECD and Government of Canada terminology data bases).

15. The use of technological innovations such as those described in paragraphs 8 to 14 above, especially in combination with other computer-based office automation programmes (data processing, word processing, electronic filing, etc), has resulted or is expected to result in improved cost-effectiveness, increased productivity, savings in staff time and staff resources. However, the precise dollar value of such productivity gains and savings is not easily identifiable since some of the elements involved are qualitative and not quantitative.

16. Nevertheless, some examples of savings achieved or projected can be cited. WHO estimates that improvements to its telephone and telex equipment and operations have allowed it to cope with an 80 per cent increase in traffic over 5 years, which would otherwise have required the provision of additional staff resources. ILO reports that improvements undertaken in this area have also enabled it to cope with a large increase in traffic during the period from 1980 to 1985 without significant increase in staff. Similarly, FAO estimates that savings in the order of 20 to 30 per cent in staff resources for its telex services unit will arise following computerization of FAO's telex system towards the end of 1986. WIPO estimates that, as a result of implementing the technological innovation described in paragraph 13 above, it will achieve a saving of some 50 per cent on composition costs of printing documents.

17. Inter-agency (including the United Nations) consultations and co-operation concerning the planned acquisition and use of technological innovations for computer-based communications and office automation occur at both formal and informal levels. Several of the organizations are active participants in the Advisory Committee for Co-ordination of Information Systems (ACCIS). ACCIS in turn has established a technical panel on computer-based communications services. One of the technical panel's activities is "... to explore more coherent and mutually advantageous arrangements for computer-based communications in the system and to outline basic practical requirements for communications services". ^{5/} The International Computing Centre (ICC) and meetings of its Management Committee also

provide user organizations (which include the United Nations, WHO, ILO, WMO, WIPO, UNESCO) further opportunities for discussions in this regard. 6/ WHO makes available to ILO, on an informal basis, detailed information on the operation of its recently installed LAN.

18. As regards use made of the United Nations telecommunications network (UNMESS), several of the European-based agencies do utilize its cable and telex facilities, but on a limited basis and where eligible. The Advisory Committee was informed that use of the United Nations network is restricted because at its 1982 session in Nairobi, the Plenipotentiary Conference of the International Telecommunications Union adopted resolution 39, paragraph 1 of which reaffirmed the Union's position held since 1952 "that in normal circumstances, the United Nations point-to-point telecommunication network should not be used to carry the traffic of the specialized agencies in competition with existing commercial telecommunications networks".

19. In this connection, the representative of ITU informed the Advisory Committee that, in examining a 1985 Joint Inspection Unit (JIU) report on "The changing use of computers in organizations of the United Nations system in Geneva: management issues", 7/ the ITU Administrative Council gave preliminary consideration to the recommendations made by JIU, in particular to the possibilities of establishing a common United Nations communications system that could handle the traffic of the agencies as well. Recognizing that there would be economic advantages in the common use of the United Nations network, the ITU Administrative Council authorized the Secretary-General of ITU to study the matter further together with the United Nations and the specialized agencies, keeping in mind the need for co-ordination at the national level in the countries where the necessary telecommunications facilities will have to be established or extended. The United Nations has commenced work on this study for which technical support is being provided by ITU. Such support includes the secondment of an ITU official to work in the United Nations service undertaking the study. The results of this study will be presented to the ITU Administrative Council in due course, so that in consultation with the members of the Union some of the rules vis-à-vis third-party traffic that had led to the separation of specialized agency traffic from the United Nations network could be suitably modified.

20. The Advisory Committee believes that in principle it is desirable to introduce and use new technology in computer-based communications and related office automation applications. At the same time, bearing in mind that investment in such equipment involves major expenditures of limited financial resources, the Committee trusts that all the organizations will continue to consult and co-operate closely to ensure that new technology is selected and acquired in a planned manner, is compatible, is used to the best advantage and in the most economical manner. It would ultimately be counter-productive for the organizations, individually or collectively, to embark on ad hoc and poorly co-ordinated acquisition programmes for such equipment.

Comparative tables

21. The present report contains nine tables which provide comparative data on the following:

- A.1. Total amounts of approved regular budgets, including supplementary estimates, 1978-1987;
- A.2. Total net contributions of Member States actually payable under approved regular budgets, including supplementary estimates, 1978-1987;
- B. Established posts, 1985-1987;
- C. Regular budget contributions to technical co-operation activities, 1985-1987;
- D.1. Extrabudgetary funds administered by the United Nations system of organizations, contributions, 1984-1985;
- D.2. Extrabudgetary funds administered by the United Nations system of organizations, expenditures, 1984-1985;
- E. Working capital funds, 1987;
- F. Scales of assessment applicable in 1987;
- G. Collection of contributions, 1985-1986.

22. As can be seen from tables A.1 and A.2, 8/ the regular budgets (or budget estimates) of the United Nations, the specialized agencies (excluding IFAD) and IAEA for 1987 will amount to \$1,783,459,118, of which \$1,678,599,955 will be covered by assessed contributions. In addition, depending on decisions by the General Assembly and the Security Council, further assessed contributions for the United Nations are likely to arise in 1987 for peace-keeping operations; for the 12-month period through October 1986 the total amount assessed for this purpose was \$179.9 million.

23. As shown in table B, the total number of established posts authorized or requested under the regular budgets of the specialized agencies (excluding IFAD) and IAEA for 1987 is 13,367.5, which is 31 more than the 1986 total of 13,336.5 (excluding IFAD). The number of established posts authorized or requested under the regular budget of the United Nations for 1987 is 11,167, 7 less than the 1986 total of 11,174. Accordingly, a grand total of 24,534.5 established posts for 1987 has been authorized or requested under the regular budgets of the United Nations, the specialized agencies (excluding IFAD) and IAEA, which represents an increase of 24 or 0.1 per cent, compared to the 1986 total of 24,510.5 (excluding IFAD).

24. Not all established posts are filled on a year-round basis; in recognition of this situation, several agencies apply a vacancy or turnover deduction to their estimated staff costs. While established posts still account for much of the

agencies' personnel resources, they do not show the full picture. For example, the total for FAO excludes that organization's country representatives. Moreover, all organizations have available to them additional staffing resources under their regular budgets (e.g. temporary posts, temporary assistance).

25. In addition to these resources, the United Nations and most agencies have a substantial number of posts funded by extrabudgetary sources; therefore the total number of staff members in posts on a given date is greater than the number of regular budget established posts. An indication of this is provided in the following table, which shows the number of staff in regular and extrabudgetary posts (with contracts of one year or more) as well as the total number of participants in the United Nations Joint Staff Pension Fund (UNJSPF) as at 31 December 1985. Because the Fund, in 1985, covered all staff members with contracts of six months or more, the total of the Pension Fund (of which UPU is not a member) is higher than the combined total shown for regular and extrabudgetary posts.

26. The regular budget contributions to technical co-operation activities are shown in table C. As can be seen from that table, the United Nations, the specialized agencies and IAEA estimate that their regular programmes of technical co-operation in 1987 will amount to a total of \$335,267,000, of which \$230,205,000 will be provided under the regular budget of WHO. The assessed budgets of most of the organizations also contribute towards the support costs of projects executed by them on behalf of funding programmes or under trust fund agreements. In the absence of cost accounting to determine such costs precisely, the actual amounts contributed are not known. The United Nations, the specialized agencies and IAEA estimate, however, as an approximate order of magnitude, that in 1987 their regular budgets will contribute \$52.5 million towards the support costs of projects. On that basis, the organizations estimate that in 1987 their total regular budget expenditures on technical co-operation activities will amount to \$387.8 million, i.e. 21.7 per cent of their combined regular budgets indicated in table A.1. This percentage compares with a figure of 21.3 per cent reported in 1985 (see A/40/769 and Corr.1, para. 9).

Number of staff
(as at 31 December 1985)

	<u>Regular budget</u>	<u>Extrabudgetary</u>	<u>Total a/</u>	<u>Participants in UNJSPF b/</u>
ILO	1 520	1 070	2 590	2 983
FAO	3 401	3 812 c/	7 213	7 586
UNESCO	2 499	701	3 200	3 379
ICAO	641	567	1 208	1 141
UPU	139	23	162	d/
WHO	3 700 e/	1 647 f/	5 347 e/ f/	5 762 g/
ITU	668	289	957	1 025
WMO	239	141	380	392
IMO	210	78	288	319
WIPO	274	14	288	308
IFAD	164	10	174	199
IAPA	<u>1 517</u>	<u>196</u>	<u>1 713</u>	<u>1 722</u>
Subtotal (specialized agencies and IAEA)	14 972	8 548	23 520	24 816
United Nations	<u>12 401 h/</u>	<u>14 668 i/</u>	<u>27 069</u>	<u>29 197 j/</u>
Grand total	<u>27 373</u>	<u>23 216</u>	<u>50 589</u>	<u>54 013 k/</u>

a/ Consultative Committee on Administrative Questions (CCAQ) personnel statistics for 31 December 1985.

b/ Based on Official Records of the General Assembly, Forty-first Session, Supplement No. 9 (A/41/9), annex I.

c/ Including staff of WFP.

d/ Not a participant in UNJSPF.

e/ Includes 704 staff members of the Pan American Health Organization (PAHO).

f/ Includes 166 staff members of PAHC.

g/ Includes 1,175 participants in UNJSPF of PAHO.

h/ Includes United Nations (10,636), UNHCR (regular budget staff) (290), UNPWA international staff (93), ICSC (49) and ICJ (41). Also includes UNIDO (1,292) which did not become a specialized agency until 1 January 1986.

i/ Includes United Nations (3,674), UNDP (6,012), UNICEF (3,324), UNU international staff (120), UNHCR voluntary fund staff (1,448). Also includes UNIDO (90) which did not become a specialized agency until 1 January 1986.

j/ In addition to United Nations regular budget staff (including UNIDO), this includes UNDP headquarters staff (professional and local) and international professionals in the field; international and local staff of UNICEF; international and local staff of UNU; international and local staff of the International Trade Centre; local staff of UNDOF, UNIFIL and United Nations Assistance for the Reconstruction and Development of Lebanon; General Agreement on Tariffs and Trade; International Centre for the Study and Preservation and the Restoration of Cultural Property; European and Mediterranean Plant Protection Organization; United Nations African Institute for Economic Development and Planning; International Research and Training Institute for the Advancement of Women (local staff); and Law of the Sea (local staff).

k/ This figure corresponds with that reported by the Pension Fund Board in annex I of its report (Official Records of the General Assembly, Forty-first Session, Supplement No. 9 (A/41/9)).

27. Tables D.1 and D.2 indicate the extrabudgetary funds administered by members of the United Nations system in 1984 and 1985. Information regarding contributions is presented in the same format as the information contained in the addendum to the report of the Committee on Contributions. (That addendum is issued in odd-numbered years only.) Except as noted, information regarding "extrabudgetary expenditures" for the years 1984-1985 has been taken from the report of the Administrative Committee on Co-ordination on expenditures of the United Nations system in relation to programmes (E/1986/112) and is contained in table D.2. The figures in table D.1 represent funds contributed directly to the organization while those in table D.2, which cover both actual and estimated expenditure, were calculated under guidelines worked out by the Committee; pursuant to those guidelines, the organizations were asked to report figures corresponding to 100 per cent of their actual or estimated expenditures, with the proviso that, where one organization finances activities carried out by another organization, the related expenditures are reported by the executing organization. The figures in tables D.1 and D.2 are thus not directly comparable.

28. Table E shows the amount approved or proposed for the working capital funds of the organizations in relation to the gross budget or budget estimates for 1987 and, where appropriate, to the gross budgets or estimates for the financial periods. As noted previously by the Advisory Committee in paragraph 14 of its report (A/37/547) "the levels of the working capital funds and the percentages those amounts bear to the gross budgets may not be directly comparable, mainly because there is no uniformity in the use to which working capital funds are put by the individual organizations in accordance with their respective constitutional requirements".

29. For all of the organizations except IMO, the scales of assessment applicable in 1987 are given in table F. The scale shown for IMO is that shown for 1986.

30. As can be seen from table G, the total of all contributions outstanding regardless of year of account was as follows:

	<u>30 September 1986</u>	<u>30 September 1985</u>
	(Thousands of United States dollars)	
United Nations	390 167	389 183
Specialized agencies and IAEA	459 849	423 716

The total outstanding contributions as at 30 September 1986 equalled 50.6 per cent of total net contributions of Member States actually payable in respect of 1986 (see table A.2), as compared to a corresponding figure of 51.4 per cent as at 30 September 1985 (see A/40/769 and Corr.1, para. 13).

Table A.1. Total amounts of approved regular budgets, including supplementary estimates a/

(United States dollars)

Organization	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
UN b/	458 137 065	458 137 065	569 475 900	569 475 900	631 260 550	631 260 550	682 373 100	682 373 100	693 962 350	693 962 350
ILO	100 534 829	100 534 830	104 962 658	104 962 659	119 252 589	120 179 588	127 359 263	127 359 263	126 557 343	126 557 343
FAO	105 675 000	105 675 000	139 370 000	139 370 000	183 320 000	183 320 000	210 570 000	210 570 000	218 500 000	218 500 000
UNESCO	112 206 500	151 500 000	151 500 000	208 458 000	208 458 000	208 458 000	187 205 000	187 205 000	144 669 490	144 669 490
WHO	171 600 000	182 730 000	213 645 000	213 645 000	234 450 000	234 450 000	260 050 000	260 050 000	271 650 000	271 650 000
ICAO	18 924 400	20 187 400	21 041 400	23 025 000	24 262 000	26 218 000	29 141 000	30 509 000	32 349 000	30 816 000
UPU	8 343 584	10 862 625	10 378 830	10 816 932	9 493 239	9 531 284	9 380 480	9 184 520	9 897 200	11 792 967
ITU	38 174 335	44 363 125	41 978 187	45 615 568	44 634 788	43 777 936	40 724 400	44 594 000	45 856 000	56 139 000
WHO	14 632 859	16 318 950	17 495 000	18 663 800	17 516 800	18 558 700	18 750 000	19 480 000	22 909 000	21 112 500
IHO	6 034 400	6 626 900	9 651 100	14 785 400	11 352 100	12 731 400	12 593 800	11 848 200	14 480 000	15 579 000
WIPO	14 746 243	15 961 272	18 336 257	19 094 152	16 850 000	16 463 532	17 350 400	17 350 400	19 764 400	23 647 368
IFAD	6 943 380	10 450 000	12 648 000	18 500 000	20 500 000	22 700 000	24 795 000	26 605 000	29 005 000	n.a.
IAPA	53 079 000	66 377 000	80 643 000	88 677 000	86 369 000	91 561 000	96 830 000	95 025 000	98 680 000	103 899 000
UNIDO b/	-	-	-	-	-	-	-	-	65 134 100	65 134 100
Specialized agencies and IAEA	650 894 530	731 587 102	821 649 432	905 613 511	976 458 516	987 949 440	1 034 749 343	1 039 780 383	1 099 451 533	1 089 496 768
GRAND TOTAL	1 109 031 595	1 189 724 167	1 391 125 332	1 475 089 411	1 607 719 066	1 619 209 990	1 717 122 443	1 722 153 483	1 793 413 883	1 783 459 118

Footnotes on following page)

(Footnotes to table A.1)

a/ This table shows the amounts of the expenditure estimates actually approved under regular budgets, taking account of any approved supplementary estimates. No adjustments have been made in the figures. Where organizations have an Undistributed Reserve it is excluded from the figures, so that the comparisons relate to effective working budgets. Estimated expenditures for the support of extrabudgetary activities are included where and to the extent that they are integrated in the regular budget. Estimated budgetary reimbursements to accounts drawn upon to finance expenditures under the budget or supplementary authorizations are reported in the period of reimbursement. Figures representing biennial budgets are divided into two equal annual figures. Budgets expressed in Swiss francs are converted into dollars at the United Nations operational rate of exchange at the end of each year, except for the 1985 and 1986 figures, which have been converted at the December 1984 rate. Rates used are as follows (Swiss francs to the dollar): 1977 - 1.17; 1978 - 1.73; 1979 - 1.60; 1980 - 1.71; 1981 - 1.76; 1982 - 2.13; 1983 - 2.18; 1984-1986 - 2.50; 1987 - 2.09.

b/ Net of staff assessment.

c/ Final appropriations 1984/1985 (General Assembly resolution 40/239 A).

d/ Programme budget, Supplement No. 6A (A/40/6/Add.1).

e/ Excludes Part IX - Programme, Activities and Services placed in Reserve. Approved budget ceiling for biennium 1986-1987 totals \$398,468,000.

f/ Preliminary or proposed.

g/ Amount includes supplementary estimates (\$4,272,400).

h/ Information on activities prior to 1 January 1986 included in the United Nations figures.

n.a. = not available.

Table A.2. Total net contributions of Member States actually payable under approved regular budgets, including supplementary estimates a/

(United States dollars)

Organization	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
UN	402 958 699	476 329 958	512 057 118	571 336 764	604 728 146	588 347 789	649 685 500	658 406 964	700 434 300	701 366 000 b/
UNEP	65 311 658	90 496 965	116 617 810	94 426 539	117 136 230	122 572 715	127 359 263	127 359 263	126 557 343	126 557 343
PAC	103 765 000	103 765 000	135 570 000	135 570 000	176 190 000	176 190 000	197 290 000	197 290 000	198 000 000	198 000 000
UNFPA	108 150 000	145 200 000	145 200 000	199 160 000	199 160 000	199 160 000	172 350 000	172 350 000	177 925 190	127 925 490
WHO	159 400 000	179 520 000	211 445 000	211 445 000	219 950 000	219 950 000	230 300 000	230 300 000	240 755 000	240 755 000
ICAC	16 490 000	17 710 000	18 560 000	21 180 000	22 320 000	24 190 000	27 090 000	28 362 000	30 124 000	28 830 000 b/
UNEP	7 465 682	9 913 800	9 528 889	10 002 415	8 700 704	8 533 257	7 455 000	8 008 800	8 552 541	10 708 785 b/
ITC	32 492 890	33 693 500	31 889 255	34 761 756	33 585 953	35 970 137	34 167 300	35 824 600	37 645 041	45 289 000
WMO	13 195 546	15 814 450	17 495 000	18 582 800	15 666 300	14 075 100	18 750 000	19 270 000	15 769 400	23 340 000 c/
IMC	5 983 400	6 530 900	9 341 300	14 573 600	10 808 100	11 221 400	10 653 800	10 132 479	11 918 000	12 665 000 b/
WIPO	8 951 445	9 279 191	9 969 006	9 660 234	8 568 075	8 371 560	8 011 600	8 011 600	9 108 400	10 900 956
IAEA	4 263 000	61 522 000	74 920 000	81 669 000	77 344 000	81 036 000	88 786 000	87 340 000	90 570 000	95 909 000 b/
UNIDO d/	-	-	-	-	-	-	-	-	56 353 381	56 353 381
Specialized agencies and IAEA	568 368 621	673 445 806	780 536 268	831 031 314	889 429 362	901 270 169	922 212 963	924 248 742	953 278 598	977 233 955
GPAND TOTAL	971 310 010	1 149 775 764	1 292 593 386	1 402 368 078	1 494 157 508	1 489 617 958	1 571 898 463	1 582 655 706	1 653 712 898	1 678 599 955

a/ This table shows the amounts of assessed contributions actually payable by Governments to finance regular budgets and any supplementary estimates. No other financing is reported. Where organizations have an Undistributed Reserve the corresponding amount of contributions is excluded from the figures. The effects of the operation of provisions concerning tax equalization funds are not taken into account. Assessments expressed in Swiss francs a.- converted into dollars on the same basis as Swiss-franc budget levels (see table A.1, footnote a/).

b/ Preliminary or proposed.

c/ Including \$2,247,500 for the 1986 supplementary estimates consequent to the fluctuations in exchange rates of United States dollar.

d/ Information on activities prior to 1 January 1986 included in the United Nations figures.

Table B. Established posts, 1985-1987

(Excluding posts financed from agency support costs)

Organization	1985		1986		1987		1987/1985		1987/1986	
							Number	Percentage	Number	Percentage
ILO	1 253	1 254	1 254	1 254	1 254	1	0.08	-	-	-
FAO	2 402 a/	2 411 a/	2 411 a/	2 411 a/	2 411 a/	9	0.4	-	-	-
UNESCO b/	2 744.5	2 149	2 131	2 131	2 131	(613.5)	(.4)	(18)	(0.8)	(0.8)
ICAO	694	694	694	694	694	-	-	-	-	-
UPU	125.5 c/	128.5 c/	128.5 c/	128.5 c/	128.5 c/	3	2.4	-	-	-
WHO	2 697	2 718	2 718	2 718	2 718	21	0.8	-	-	-
ITU d/	700	696	698	698	698	(2)	(0.3)	2	0.3	0.3
WMO	245	245	246	246	246	1	0.4	1	0.4	0.4
IMO	233	248	250	250	250	17	7.3	2	0.8	0.8
WIPO	268.5	277	280	280	280	11.5	4.3	3	1.1	1.1
IFAD	181	190	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
IAEA	1 586	1 630	1 671 e/	1 671 e/	1 671 e/	85	5.4	41	2.5	2.5
UNIDO	- f/	886	886	886	886	n.a.	n.a.	-	-	-
Subtotal (specialized agencies and IAEA)	13 129.5 g/	13 526.5	13 367.5 h/	13 367.5 h/	13 367.5 h/	(467) i/	(3.6) i/	31 j/	0.2 j/	0.2 j/
United Nations	11 933	11 174	11 167 k/	11 167 k/	11 167 k/	(766)	(6.4)	(7)	(0.1)	(0.1)
GRAND TOTAL	25 062.5 g/	24 700.5	24 534.5 h/	24 534.5 h/	24 534.5 h/	(1 233) i/	(5.0) i/	24 j/	0.1 j/	0.1 j/

(Footnotes on following page)

(Footnotes to table B)

a/ Excludes posts of FAO Representative offices (781 posts as at 31 Dec. 1985).

b/ Does not include maintenance posts approved by the General Conference outside of the posts ceiling.

c/ Excludes 12.5 posts reimbursed as support costs by UNDP.

d/ Not including 105 posts in the technical co-operation special accounts budget paid for by agency support costs.

e/ Does not include possible additional manpower for the Supplemental Nuclear Safety Programme.

f/ Part of United Nations.

g/ Excludes UNIDO.

h/ Excludes IFAD.

i/ Excludes IFAD and UNIDO from both 1987 and 1985.

j/ Excludes IFAD from both 1987 and 1986.

k/ Programme budget, Supplement No. 6A (A/40/6/Add.1); includes posts from Income section 3 (Revenue producing activities).

n.a. = not available.

Table C. Regular budget contributions to technical co-operation activities, 1985-1987
(Thousands of United States dollars)

Organization	1985			1986			1987		
	Regular programme	Excess of support costs over reimbursement	Total	Regular programme	Excess of support costs over reimbursement	Total	Regular programme	Excess of support costs over reimbursement	Total
ILO	14 923	7 996	22 919	14 970	8 300	23 270	18 298	7 700	25 998
FAO	27 386	13 500	40 886	30 000	14 400	44 400	39 000	14 000	53 000
UNESCO	7 017	6 488	13 505	5 335	6 371	11 706	5 335	6 371	11 706
ICAC	-	-	-	-	-	-	-	-	-
UPU	550	342	892	790	424	1 214	790	469	1 259
WHO	205 048	5 097 a/	210 145	230 205	2 979 b/	233 184	230 205	2 979 a/	233 184
ITU	3 796	-	3 796	4 075	-	4 075	3 872	-	3 872
WFO	2 257 c/	-	2 257 c/	2 700 d/	250	2 950 d/	2 517	-	2 517
IMO	-	980	980	-	889	889	-	1 060	1 060
WIPO	2 255	577	2 832	2 507	479	2 986	2 618	479	3 097
IAEA	8 100	240	8 340	8 300	250	8 550	12 000 e/	250	12 250
UNIDO	-	-	-	7 429 f/	-	7 429	7 368	-	7 368
Subtotal (specialized agencies and IAEA)	271 332	35 220	306 552	306 311	34 342	340 653	322 003	33 308	355 311
United Nations	17 223	24 175	41 398	13 226	18 561	31 787	13 264	19 241	32 505
GRAND TOTAL	288 555	59 395	347 950	319 537	52 903	372 440	335 267	52 549	387 816

a/ Relates to administrative support costs only.

b/ Excess expenditure cannot be met from the ordinary budget.

c/ Including regional advisory services and education and training programmes.

d/ Including \$321,900 for the supplementary estimates.

e/ Increase due to criteria for technical co-operation support used for 1987 budget preparation. In comparison previous years were underestimated, mainly with regards to the treatment of laboratory services.

f/ Information on activities prior to 1 January 1986 included in United Nations figures.

Table D.1. Extrabudgetary funds administered by the United Nations system of organizations:
Cash payments received in respect of voluntary contributions, 1984-1985
(Thousands of dollars)

Organization	Member States		Non-member States		Other major contributions		Total
	1984	1985	1984	1985	1984	1985	
United Nations a/	168 124.4	169 237.9	2 348.4	2 417.3	296.6	988.3	170 769.4
UNICEF	177 953.4	186 221.6	4 271.1	5 163.9	10 252.2	1 886.3	192 476.7
UNDP b/	785 284.9	693 325.6	24 628.3	23 164.3	4 961.9	1 418.1	814 885.1
WFP c/	180 929.5	243 828.4	2 606.9	1 115.1	15 105.8	16 511.8	198 642.2
UNRWA d/	131 727.5	132 799.0	832.6	1 159.3	32 871.3	17 418.6	165 431.4
UNFPA	121 049.5	122 096.6	1 749.7	47.3	-	-	122 799.2
ILO	34 205.5	30 343	1 281.3	1 745	264.9	9 334	35 751.7
FAO	137 864	77 071	5 716	3 901	1 191	1 920	144 771
UNESCO	22 842.7	26 396.7	344.4	252.3	1 430	3 719.8	24 617.1
WHO	32 250.1	33 479.5	584.6	707.7	1 710	2 680.1	34 544.7
ICAO e/	21 436.5	20 619	-	-	-	-	21 436.5
UPU	279.5	291.5	22.5	27	-	-	302
ITU f/	-	-	-	-	-	-	-
WMO	2 309.9	4 052.6	196.2	247.8	-	-	2 506.1
IMO	3 534.7	4 296.4	-	-	-	449.1	3 534.7
WIPO	1 899	2 527	-	-	-	-	1 899
IAEA	39 596.6	34 948.2	685	426.7	-	-	40 281.6
UNHCR	259 913.4	251 305.5	4 220.1	4 264.6	6 848.8	47 904.2	270 982.3
UNIDO g/	-	-	-	-	-	-	-
Total	2 121 201.1	2 032 839.5	49 497.1	44 639.3	74 932.5	104 230.5	2 245 630.7
							2 181 709.3

(Footnotes on following page)

(Footnotes to table D.1)

a/ Includes United Nations trust funds, UNFICYP, UNITAR, UNCHS, UNIDO and UNEP.

b/ Includes UNDP-administered trust funds.

c/ Excludes cash contributions in lieu of commodities.

d/ Includes contributions to Lebanon emergency relief and/or Lebanon reconstruction.

e/ Figures represent amounts contributed directly by Governments and other bodies and do not include United Nations/UNDP contributions.

f/ Voluntary contributions were not received in the period in question. Contributions received from extrabudgetary sources for technical assistance activities are treated as funds-in-trust, and consequently included in the estimates for table D.2.

g/ Information on activities prior to 1 January 1986 included in the United Nations figures.

Table D.2. Extrabudgetary funds administered by the United Nations system of organizations: Extrabudgetary expenditures, 1984-1985

(Thousands of United States dollars)

Except as where noted, the following figures are as per the figures in the report of the Administrative Committee on Co-ordination on expenditures of the United Nations system in relation to programme (E/1986/112, 4 July 1986):

Organization	1984	1985
United Nations <u>a/</u>	946 150.0	946 150.0
UNICEF	367 400.0	367 400.0
UNDP <u>b/</u>	109 700.0	109 700.0
WFP	728 900.0	728 900.0
UNRWA	183 300.0	183 300.0
UNFPA	83 050.0	83 050.0
ILO	86 490.0	91 610.0
FAO	279 072.0	296 292.0
UNESCO	96 800.0	81 100.0
WHO	225 800.0	225 800.0
ICAO	55 600.0	59 400.0
UPU	328.4	296.4
ITU	27 634.0 <u>c/</u>	30 075.0 <u>c/</u>
WMO	22 500.0 <u>d/</u>	24 027.0 <u>d/</u>
IMO	8 650.0	11 200.0
WIPO	2 500.0	3 010.0
IAEA	38 343.0	40 177.0
UNIDO <u>e/</u>	-	-
Total	3 262 217.4	3 281 487.4

a/ Includes expenditures financed by the Fund of the United Nations Environment Programme and channelled through bodies not included in the ACC report; also includes expenditures of the UNHCR voluntary funds and the International Trade Centre.

b/ Includes expenditures for activities financed by UNDP and channelled through bodies not included in the ACC report.

c/ Difference from 1984-1985 total in E/1986/112 due to exchange rates used in converting support costs.

d/ Advisory Committee was informed that these figures supersede the 1984-1985 total shown in ACC report E/1986/112.

e/ Information on activities prior to 1 January 1986 included in the United Nations figures.

Table E. Working capital funds, 1987

(Thousands of United States dollars)

Organization	1987 gross budget or budget estimate	Gross budget or estimates for financial period	Working Capital Fund	Percentage of column (3) to column (1)	Percentage of column (3) to column (2)
	(1)	(2)	(3)	(4)	(5)
ILO	126 557	253 114	23 000 <u>a/</u>	18.2	9.1
FAO	249 600	499 200	13 258	5.3	2.7
UNESCO	144 669.5 <u>b/</u>	289 339 <u>b/</u>	15 000	10.4	5.2
ICAO	37 992 <u>c/</u>	119 261 <u>d/</u>	2 200	5.8	1.8
UPU <u>e/</u>	-	-	-	-	-
WHO	302 588	605 252	11 135	3.7	1.8
ITU <u>e/</u>	-	-	-	-	-
WMO	23 007	89 938	2 500	10.9	2.8
IMO	15 579	30 059	1 004	6.4	3.3
WIPO	23 647	47 295	3 222 <u>a/</u>	13.6	6.8
IAEA	103 899 <u>c/ f/</u>	-	2 000	1.9	-
United Nations <u>g/</u>	831 671	1 663 341	100 000	12.0	6.0
UNIDO	65 134.1	154 752.5	6 000	9.2	3.9

a/ Estimated balance in the fund on 31 December 1986.

b/ Revised approved figures following withdrawal from UNESCO of Singapore, the United Kingdom and the United States of America.

c/ Preliminary proposed or subject to further review.

d/ Proposed regular budget for 1987-1989.

e/ Organization has no Working Capital Fund.

f/ IAEA budget is net. No staff assessment considered.

g/ Programme budget for the biennium 1986-1987, Supplement No. 6A (A/40/6/Add.1).

Table F. Scales of assessment applicable in 1987
(Percentage)

Members of United Nations b/	ILO	FAO	UNESCO c/	IAO d/	UPU	WHO	ITU	WMO	IMO e/	WIPO	IAFA	UNIDO
Afghanistan	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	-	0.01	0.01
Albania	0.01	0.01	0.01	-	0.10	0.01	0.06	0.03	-	-	0.01	-
Algeria	0.14	0.16	0.14	0.24	0.51	0.14	0.25	0.11	0.36	0.32	0.14	0.14
Angola	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.04	0.04	0.04	-	0.01
Antigua and Barbuda	0.01	0.01	0.01	0.06	-	0.01	-	-	-	-	-	-
Argentina	0.62	0.70	0.61	0.44	1.53	0.61	0.76	1.02	0.64	0.48	0.61	0.62
Australia	1.66	1.56	1.64	1.78	2.55	1.63	4.59	1.67	0.61	3.24	1.64	1.65
Austria	0.74	0.91	0.73	0.60	0.51	0.72	0.25	0.66	0.12	1.74	0.73	0.73
Bahamas	0.01	0.01	0.01	0.06	0.10	0.01	0.13	0.03	0.90	0.16	-	-
Bahrain	0.02	0.01	0.02	0.06	0.10	0.02	0.13	0.03	0.02	-	-	-
Bangladesh	0.02	0.03	0.04	0.07	1.02	0.02	0.03	0.04	6.10	0.04	0.02	0.02
Barbados	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	0.17	-	0.01
Belgium	1.18	1.27	1.17	1.04	1.53	1.16	1.27	1.26	0.68	3.24	1.17	1.17
Belize	0.01	0.01	0.01	-	0.10	-	0.03	0.01	-	-	-	-
Benin	0.01	0.01	0.01	0.06	0.05	0.01	0.06	0.03	0.02	0.17	-	0.01
Bhutan	0.01	-	0.01	-	0.05	0.01	-	-	-	-	-	0.01
Bolivia	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.04	-	-	0.01	0.01
Botswana	0.01	0.01	0.01	0.06	0.05	0.01	0.13	0.03	-	-	-	0.01
Brazil	1.40	1.38	1.38	1.44	2.55	1.37	0.76	1.36	1.50	2.07	1.38	1.39
Brunei Darussalam	0.04	-	-	0.06	0.10	0.04	0.13	0.03	0.02	-	-	-
Bulgaria	0.16	0.18	0.16	0.14	0.31	0.16	0.25	0.27	0.35	0.48	0.16	0.16
Burkina Faso	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.16	-	0.01
Burma	0.01	0.01	0.01	0.06	0.31	0.01	0.13	0.04	0.05	-	0.01	-
Burundi	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.10	-	0.01
Byelorussian Soviet Socialist Republic	0.34	0.36	0.34	-	0.21	0.33	0.13	0.43	-	0.04	0.34	0.34
Cameroon	0.01	0.01	0.01	0.06	0.10	0.01	0.13	0.03	0.04	0.28	0.01	0.01
Canada	3.06	3.05	3.02	2.24	5.11	3.00	4.59	2.86	0.97	2.38	3.03	3.04
Cape Verde	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	-	-	0.01
Central African Republic	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.16	-	-
Chad	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.16	-	-
Chile	0.07	0.07	0.07	0.10	0.51	0.07	0.25	0.21	0.15	0.18	0.07	0.07
China	0.79	0.87	0.78	0.63	2.55	0.77	2.55	2.37	2.47	1.49	0.78	0.78
Colombia	0.13	0.11	0.13	0.24	0.31	0.13	0.25	0.21	0.14	0.04	0.13	0.13
CCROPS	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	-	-	-

Table F (continued)

Members a/	United Nations b/	ILC	FAO	UNESCO c/	ICAO d/	UPU	WHO	ITU	WHO	IMO e/	WIPO	IAEA	UNIDO
Cong.	0.01	0.01	0.01	0.01	0.06	0.10	0.31	0.13	0.32	0.02	0.16	-	0.01
Cook Islands	-	-	0.01	-	-	-	0.01	-	-	-	-	-	-
Costa Rica	0.02	0.02	0.02	0.02	0.06	0.10	0.02	0.06	0.06	0.02	0.06	0.02	-
Côte d'Ivoire	0.02	0.03	0.04	0.02	0.06	0.31	0.02	0.25	0.06	0.06	0.28	0.02	0.02
Cuba	0.09	0.09	0.11	0.09	0.11	0.31	0.09	0.13	0.18	0.27	0.30	0.09	0.09
Cyprus	0.02	0.01	0.01	0.02	0.06	0.10	0.02	0.06	0.03	1.87	0.16	0.02	0.02
Czechoslovakia	0.70	0.75	0.92	0.69	0.49	1.02	0.69	0.51	0.85	0.13	2.19	0.69	0.69
Democra													
Kampuchea	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.13	0.03	0.02	-	0.01	-
Democratic People's Republic of													
Korea	0.05	-	0.06	0.05	0.06	0.51	0.05	0.06	0.07	-	0.10	0.05	0.05
Democratic Yemen	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	-	-	0.01
Denmark	0.72	0.74	0.91	0.71	0.60	1.02	0.71	1.27	0.73	1.20	2.19	0.71	0.71
Djibouti	0.01	0.01	0.01	-	0.06	0.05	0.01	0.03	0.03	0.02	-	-	-
Dominica	0.01	0.01	0.01	0.01	-	0.10	0.01	-	0.03	0.02	-	-	0.01
Dominican Republic	0.03	0.03	0.04	0.03	0.06	0.10	0.03	0.13	0.06	0.02	0.30	0.03	0.03
Ecuador	0.07	0.07	0.08	0.07	0.17	1.02	0.07	0.25	0.26	0.27	0.50	0.07	0.07
Egypt	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	0.04	0.01	-
El Salvador													
Equatorial Guinea	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	-	0.02	-	-	-
Ethiopia	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.04	-	0.01	0.01
Fiji	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	0.06	-	-
Finland	0.50	0.48	0.58	0.49	0.44	1.02	0.49	1.27	0.50	0.53	2.19	0.49	0.50
France	6.37	6.46	7.86	6.29	5.84	5.11	6.25	7.65	5.55	2.21	5.50	6.30	5.33
French Overseas Territories	-	-	-	-	-	-	-	-	0.03 £/	-	-	-	-
Gabon	0.03	0.02	0.02	0.03	0.06	0.10	0.03	0.13	0.03	0.05	0.16	0.03	0.03
Gambia	0.01	-	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	0.04	-	-
German Democratic Republic	1.33	1.38	-	1.31	-	1.53	1.30	0.76	1.38	0.46	2.69	1.31	1.32
Germany, Federal Republic of	8.26	8.47	10.31	8.16	6.85	5.11	8.10	7.65	6.69	1.75	5.39	8.17	8.21
Ghana	0.01	0.02	0.02	0.01	0.06	0.31	0.01	0.06	0.08	0.06	0.10	0.01	0.01
Greece	0.44	0.40	0.48	0.43	0.46	0.31	0.43	0.25	0.33	7.07	0.67	0.43	0.44
Grenada	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.03	-	-	-	-	-

Table F (continued)

Members of/	United Nations	ILO	FAO	UNESCO	ICAO	UPU	WHO	ITU	WFO	IMCO	WIPO	IAEA	UNIDO
Guatemala	0.02	0.02	0.02	0.02	0.06	0.31	0.02	0.06	0.06	0.02	0.04	0.02	0.02
Guinea	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	0.16	-	0.01
Guinea-Bissau	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	-	-	0.01
Guyana	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	-	-	0.01
Haiti	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	0.10	0.01	0.01
Holy See	0.01	-	-	-	-	0.10	-	0.06	-	-	0.16	0.01	-
Honduras	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.10	0.04	-	0.01
Hong Kong	-	-	-	-	-	-	-	-	0.03	0.78	-	-	-
Hungary	0.22	0.23	0.23	0.22	0.14	0.51	0.21	0.25	0.38	0.07	0.74	0.22	0.22
Iceland	0.03	0.03	0.04	0.03	0.06	0.10	0.03	0.06	0.06	0.06	0.16	0.03	-
India	0.35	0.36	0.43	0.34	0.56	2.55	0.34	2.55	1.09	1.57	0.60	0.35	0.35
Indonesia	0.14	0.13	0.16	0.14	0.36	1.02	0.14	0.25	0.38	0.49	0.30	0.14	0.14
Iran (Islamic Republic of)	0.63	0.57	0.70	0.62	0.52	0.51	0.62	0.25	0.49	0.62	0.30	0.62	0.62
Iraq	0.12	0.12	0.14	0.12	0.26	0.31	0.12	0.06	0.11	0.28	0.30	0.12	0.12
Ireland	0.18	0.18	0.22	0.18	0.19	1.02	0.18	0.51	0.22	0.10	2.19	0.18	0.18
Israel	0.22	0.23	0.28	0.22	0.37	0.31	0.21	0.25	0.25	0.18	0.65	0.22	0.22
Italy	3.79	3.71	4.52	3.74	3.21	2.55	3.72	2.55	2.98	2.21	3.29	3.75	3.77
Jamaica	0.02	0.02	0.02	0.02	0.06	0.10	0.02	0.06	0.06	0.02	0.04	0.02	0.02
Japan	10.84	10.23	12.46	10.71	9.57	5.11	10.64	7.65	6.38	9.69	4.87	10.73	10.77
Jordan	0.01	0.01	0.01	0.01	0.14	0.10	0.01	0.13	0.03	0.02	0.10	0.01	0.01
Kerya	0.01	0.01	0.01	0.01	0.06	0.31	0.01	0.06	0.03	0.02	0.30	0.01	0.01
Kiribati	-	-	-	-	0.06	0.10	0.01	-	-	-	-	-	-
Kuwait	0.29	0.25	0.30	0.29	0.38	1.02	0.28	0.25	0.19	0.62	-	0.29	0.29
Laos People's Democratic Republic	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.13	0.03	-	-	-	0.01
Lebanon	0.01	0.02	0.02	0.01	0.12	0.05	0.01	0.06	0.06	0.14	0.50	0.01	0.01
Lesotho	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	-	-	0.01
Liberia	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	13.12	-	0.01	-
Libyan Arab Jamahiriya	0.26	0.26	0.31	0.26	0.26	0.51	0.25	0.38	0.18	0.28	0.48	0.26	0.26
Liechtenstein	0.01	-	-	-	-	0.10	-	0.13	-	-	0.17	0.01	-
Luxembourg	0.05	0.06	0.07	0.05	0.06	0.31	0.05	0.13	0.08	-	0.22	0.05	0.05
Madagascar	0.01	0.01	0.01	0.01	0.06	0.31	0.01	0.06	0.03	0.04	0.28	0.01	0.01
Malawi	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.10	-	0.01
Malaysia	0.10	0.09	0.11	0.10	0.23	0.31	0.10	0.76	0.22	0.45	-	0.10	0.10
Maldives	0.01	-	0.01	0.01	0.06	0.10	0.01	0.03	0.03	0.05	-	-	-

Table F (continued)

Members a/	United Nations b/	ILO	FAO	UNESCO c/	ICAO d/	UFU	WHO	ITU	WBO	IMO e/	WIPO	IAEA	UNIDO
Mali	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.16	0.1	0.01
Malta	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.44	0.16	-	0.01
Mauritania	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	0.16	-	0.01
Mauritius	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	0.10	0.01	0.01
Mexico	0.89	0.87	1.06	0.88	0.97	1.02	0.87	0.25	0.86	0.42	1.59	0.88	0.88
Monaco	0.01	-	-	0.01	0.06	0.10	0.01	0.06	-	-	0.22	0.01	-
Mongolia	0.01	0.01	0.01	0.01	-	0.10	0.01	0.06	0.03	-	0.10	0.01	0.01
Morocco	0.05	0.05	0.06	0.05	0.08	0.51	0.05	0.25	0.11	0.13	0.50	0.05	0.05
Mozambique	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.04	0.02	-	-	0.01
Namibia	-	0.01	0.01	-	-	-	0.01	-	-	-	-	-	-
Nauru	-	-	-	-	0.06	0.10	-	0.03	-	-	-	-	-
Nepal	0.01	0.01	0.01	0.01	0.06	0.31	0.01	0.03	0.03	0.02	-	-	0.01
Netherlands	-	1.76	2.15	1.72	1.88	1.53	1.71	2.55	1.43	1.11	3.30	1.72	1.73
Netherlands Antilles	-	-	-	-	-	-	-	-	-	-	-	-	-
New Caledonia	-	-	-	-	-	0.10	-	-	0.03	-	-	-	-
New Zealand	0.24	0.26	0.31	0.24	0.33	1.53	0.23	0.51	0.40	0.12	0.79	0.24	0.24
Nicaragua	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.13	0.03	0.02	0.04	0.01	0.01
Niger	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.03	0.03	-	0.16	0.01	0.01
Nigeria	0.19	0.19	0.23	0.19	0.30	1.02	0.19	0.51	0.23	0.15	0.30	0.19	0.19
Norway	0.54	0.51	0.62	0.53	0.49	1.02	0.53	1.27	0.57	3.54	2.19	0.53	0.54
Oman	0.02	-	0.01	0.02	0.08	0.10	0.02	0.13	0.03	0.02	-	-	0.02
Pakistan	0.06	0.06	0.07	0.06	0.24	1.53	0.06	0.51	0.14	0.15	0.18	0.06	0.06
Panama	0.02	0.02	0.02	0.02	0.06	0.10	0.02	0.13	0.06	9.18	0.04	0.02	0.02
Papua New Guinea	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.13	0.03	0.02	-	-	-
Paraguay	0.02	0.01	0.01	0.02	0.06	0.10	0.02	0.13	0.03	-	-	0.02	0.02
Peru	0.07	0.07	0.08	0.07	0.09	0.31	0.07	0.06	0.19	0.24	0.04	0.07	0.07
Philippines	0.10	0.09	0.11	0.10	0.29	0.10	0.10	0.25	0.25	1.09	0.45	0.10	0.10
Poland	0.64	0.71	0.87	0.63	0.40	0.51	0.63	0.51	1.00	0.83	0.67	0.63	0.63
Portugal	0.18	0.18	0.22	0.18	0.24	0.51	0.18	0.25	0.22	0.38	1.86	0.18	0.18
Qatar	0.04	0.03	0.04	0.04	0.08	0.51	0.04	0.13	0.06	0.10	0.11	0.04	0.04
Republic of Korea	0.20	-	0.22	0.20	0.66	1.02	0.19	0.25	0.18	1.67	0.30	0.20	0.20
Romania	0.19	0.19	0.23	0.19	0.20	0.31	0.19	0.25	0.30	0.73	0.48	0.19	0.19
Rwanda	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.16	-	0.01
Saint Christopher and Nevis	0.01	-	0.01	0.01	-	-	0.01	-	-	-	-	-	0.01

Table F (continued)

Members a/	United Nations b/	ILO	FAO	UNESCO c/	ICAO d/	UFPU	WHO	ITU	WHO	IMCO e/	WIPO	IAEA	EBRD
Saint Lucia	0.01	0.01	0.01	0.01	0.06	0.10	0.01	-	0.03	0.02	-	-	0.01
Saint Vincent and the Grenadines	0.01	-	0.01	0.01	0.06	0.10	0.01	0.03	-	0.08	-	-	-
Samoa	0.01	-	0.01	0.01	-	-	0.01	-	-	-	-	-	-
San Marino	0.01	0.01	-	0.01	-	0.10	0.01	0.06	-	-	0.30	-	-
Sao Tome and Principe	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	-	-	-
Saudi Arabia	0.97	0.85	1.04	0.96	0.78	2.55	0.95	2.55	0.51	0.79	0.37	0.96	0.96
Senegal	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.25	0.03	0.04	0.28	0.01	0.01
Seychelles	0.01	0.01	0.01	0.01	0.06	0.10	0.01	-	0.03	0.02	-	-	0.01
Sierra Leone	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	-	0.01	0.01
Singapore	0.10	0.09	-	-	0.66	0.10	0.10	0.25	0.09	1.52	-	0.10	-
Solomon Islands	0.01	0.01	0.01	-	0.06	0.10	0.01	-	0.03	-	-	-	-
Somalia	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.02	-	-	0.01
South Africa	0.44	-	-	-	0.61	-	0.43	0.25	0.60	-	1.59	0.43	-
Spain	2.03	1.91	2.33	2.00	1.89	2.55	1.99	0.76	1.58	1.63	2.79	2.01	2.02
Sri Lanka	0.01	0.01	0.01	0.01	0.08	0.51	0.01	0.13	0.04	0.17	0.16	0.01	0.01
Sudan	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.04	0.05	0.10	0.01	0.01
Suriname	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	0.02	0.22	-	-
Swaziland	0.01	0.01	0.01	0.01	0.06	0.10	0.01	0.06	0.03	-	-	-	-
Sweden	1.25	1.31	1.59	1.24	1.04	1.53	1.23	2.55	1.34	0.85	3.30	1.24	1.24
Switzerland	1.12	1.09	1.33	1.11	1.23	1.53	1.10	2.55	1.13	0.21	3.29	1.11	1.11
Syrian Arab Republic	0.04	0.03	0.04	0.04	0.09	0.10	0.04	0.13	0.10	0.04	0.30	0.04	0.04
Thailand	0.09	0.08	0.10	0.09	0.35	0.31	0.09	0.38	0.20	0.18	0.06	0.09	0.09
Togo	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.06	0.03	0.04	0.16	-	0.01
Tonga	0.01	-	0.01	0.01	0.06	0.10	0.01	0.03	-	-	-	-	-
Trinidad and Tobago	0.04	0.03	0.04	0.04	0.10	0.10	0.04	0.25	0.06	0.02	0.30	-	0.04
Tunisia	0.03	0.03	0.04	0.03	0.06	0.51	0.03	0.25	0.06	0.09	0.51	0.03	0.03
Turkey	0.34	0.32	0.39	0.34	0.28	0.51	0.33	0.25	0.43	0.92	0.48	0.34	0.34
Tuvalu	0.01	-	-	-	-	0.10	-	-	-	-	-	-	-
Uganda	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	-	0.10	0.01	0.01
Ukrainian Soviet Socialist Republic	1.28	1.31	-	1.26	-	1.02	1.25	0.25	1.46	-	0.04	1.27	1.27
Union of Soviet Socialist Republics	10.20	10.45	-	10.08	8.87	2.55	10.01	7.65	10.40	6.26	3.99	10.09	10.13

Table F (continued)

Members a/	United Nations b/	ILO	FAO	UNESCO c/	ICAO d/	DFU	WHO	ITU	WHO	IMD e/	WIPO	IAEA	UNIDO
United Arab Emirates	0.18	0.16	0.19	0.18	0.23	0.10	0.18	0.25	-	0.25	0.11	0.18	0.18
United Kingdom of Great Britain and Northern Ireland	4.86	4.63	5.64	-	5.16	5.11	4.77	7.65	5.17	3.45	5.39	4.81	4.83
United Kingdom Overseas Territories	-	-	-	-	-	0.51	-	-	0.03 g/	-	-	-	-
United Republic of Tanzania	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.03	0.03	0.04	0.10	0.01	0.01
United States of America	25.00	25.00	25.00	-	25.00	5.11	25.00	7.65	24.68	5.09	3.91	25.00	25.00
Uruguay	0.04	0.04	0.05	0.04	0.06	0.31	0.04	0.13	0.16	0.06	0.16	0.04	0.04
Vanuatu	0.01	-	0.01	-	0.06	0.10	0.01	-	0.03	-	-	-	-
Venezuela	0.60	0.54	0.66	0.59	0.57	0.31	0.59	0.51	0.54	0.31	0.30	0.59	0.60
Viet Nam	0.01	0.02	0.02	0.01	0.06	0.10	0.01	0.13	0.06	0.09	0.10	0.01	0.01
Yemen	0.01	0.01	0.01	0.01	0.06	0.05	0.01	0.06	0.03	0.02	0.04	-	0.01
Yugoslavia	0.46	0.46	0.55	0.45	0.40	0.51	0.4	0.25	0.49	0.70	0.51	0.45	0.46
Zaire	0.01	0.01	0.01	0.01	0.06	0.31	0.01	0.13	0.04	0.04	0.48	0.01	0.01
Zambia	0.01	0.01	0.01	0.01	0.06	0.31	0.01	0.06	0.04	-	0.10	0.01	0.01
Zimbabwe	0.02	0.02	0.02	0.02	0.06	0.31	0.02	0.13	0.03	-	0.16	0.02	0.02

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/ Report of the Committee on Contributions (A/40/11).

c/ Excluding Singapore, the United Kingdom of Great Britain and Northern Ireland and the United States of America, which although included in the total scale approved by the General Conference, have withdrawn from UNESCO.

d/ Proposed.

e/ Assessments for 1986.

f/ French Polynesia.

g/ British Caribbean Territories.

Table G. Collection of contributions, 1985-1986

Organization	Percentage of current year's contributions collected at				Total of all contributions outstanding at 30 September (regardless of year of account) (in thousands of United States dollars)	
	30 June		30 September		1985	1986
	1985	1986	1985	1986	1985	1986
ILO	49.21	51.86	59.80	58.29	68 298	68 104
FAO	51.35	40.67	63.33	63.40	83 301	87 046
UNESCO	38.83	a/	59.56	70.74	81 384	86 570
ICAO	41.35	43.96	49.71	64.87	17 017	13 360
UPU	86.65	89.92	89.44	89.97	2 313	2 203
WHO	44.20	52.77	56.16	59.78	113 870	109 030
ITU	91.01	84.79	93.49	85.39	8 814	14 618
WMO	57.58	61.66	61.95	65.68	9 838	7 897
IMO	62.15	61.96	73.49	71.85	3 382	4 278
WIPO	46.90	60.81	77.79	72.09	4 113	6 345
IAEA	50.86	48.17	67.51	61.41	31 386	39 108
United Nations	35.54	49.59	53.60	57.77	389 183	390 167
UNIDO	b/	37.42	b/	62.23	b/	21 290

a/ Not available.

b/ Included in the United Nations figures for 1985.

III. COMMENTS ON THE BUDGETS OF THE SPECIALIZED AGENCIES
AND THE INTERNATIONAL ATOMIC ENERGY AGENCY

A. International Labour Organisation

		\$
Effective working budget (Parts I to IV)	1986-1987	253 114 686
	1984-1985	254 718 526
	Decrease	(1 603 840)
		0.63 per cent

31. The Advisory Committee discussed the programme and budget of the ILO with representatives of the Director-General of that organization.

1. Appropriations for 1984-1985

32. The total programme and budget for 1984-1985 approved by the Conference amounted to \$254,744,000, consisting of an effective working budget of \$254,718,526 and an undistributed reserve of \$25,474. The Governing Body also authorized expenditure for unforeseen items amounting to \$4,110,750, of which \$2,664,325 was to be financed from savings in Part I of the budget and the balance of \$1,446,425 from savings in Part I or, failing that, from Part II (Unforeseen expenditure). However, it was possible to finance the total additional expenditure of \$4,110,750 from savings in Part I.

Actual expenditure 1984-1985

33. Actual expenditure in 1984-1985 totalled \$224,202,332, which is \$30,516,194 less than the effective working budget. The total underexpenditure is mainly due to savings of \$6,379,845 under Part I (Ordinary budget), \$1,500,000 under Part II (Unforeseen expenditure), and of \$22,636,349 under Part IV (Effects of exchange rate adjustments). The bulk of the savings result from the relative strength of the United States dollar during the biennium and the fact that a number of cost factors remained below the level foreseen at the time the budget was approved.

Actual income collected in 1984-1985, net savings achieved, and cash surplus

34. Budgetary income during the biennium totalled \$250,884,597, including \$17,084,345 in collection of arrears of assessed contributions. Total budgetary income thus fell short of the total 1984-1985 assessments on member States (excluding contributions assessed in respect of the Undistributed Reserve) by just under \$4 million. This income shortfall partly offset the net savings of \$30,516,194 realized under the effective working budget and there was a resulting cash surplus of \$26,682,265. A proposal has been made to the Governing Body to approve a waiver of the financial regulations to permit the cash surplus to be used to cover additional costs in 1986-1987 arising from fluctuations in the Swiss franc/dollar exchange rate. The cash surplus would normally be applied to reduce the contributions of eligible member States in 1987.

2. Appropriations for 1986-1987

35. The ILO's Programme and Budget for 1986-1987 as approved by the ILO Conference in June 1985 amounts to \$253,140,000 (with effective working budget of \$253,114,686) distributed as follows:

	\$
Part I Ordinary budget	251 364 686
Part II Unforeseen expenditure	1 750 000
Part III Working Capital Fund	-
Part IV Effects of exchange rate adjustments	-
	<hr/>
	EFFECTIVE WORKING BUDGET
	253 114 686
Part V Undistributed Reserve	25 314
	<hr/>
Total	<u>253 140 000</u>

36. The programme and budget contains provisions for a special Maritime Session of the ILO Conference, including a preparatory meeting, for increased language services, and for three major regional meetings (compared with only one in 1984-1985). The Committee was informed that if these extraordinary items were excluded, the effective working budget for 1986-1987 would show a 0.8 per cent programme increase in real terms over that of 1984-1985. The Committee was informed that notwithstanding the objective in the ILO medium-term plan 1982-1987 of restoring the ILO programmes to the level approved by the Conference for 1978-1979, before the cuts carried out in the biennium and continued in the 1980-1981 Programme and Budget, the programme for 1986-1987 remains in real terms some 8 per cent below that originally approved for 1978-1979. The Committee noted that the ILO's Integrated Programming and Budgeting System had permitted significant redeployments of resources. The Committee noted that, as in previous bienniums, there has been a significant redeployment of resources for 1986-1987 from existing programmes to those reflecting new priorities.

3. Working Capital Fund

37. The nominal level of the Working Capital Fund rose during 1984-1985 from \$21.2 million to \$29.6 million. The cash level of the Fund on 31 December 1985 amounted to \$29,601,370, or slightly under three months' expenditure requirements under the 1986-1987 programme and budget.

4. Technical co-operation

38. Regular budget technical co-operation funds for 1986-1987 are \$23,763,000, compared with \$18,559,200 in 1984-1985. This represents an increase of nearly \$2.1 million in real terms and is designed to respond to the ever-increasing demands for operational activities by the tripartite constituents of member States. More than one half of the increase is devoted to technical co-operation activities in Africa.

39. Expenditure on UNDP-funded projects in 1984-1985 was \$86.2 million (including programme support costs), a decrease of almost 20 per cent compared with 1982-1983 expenditure of \$107.5 million. Expenditure under this source of funds is expected to decline further in 1986-1987. However, expenditure under trust fund projects (including multi-bilateral programmes, associate expert schemes, and UNFPA) increased by some 10 per cent in 1985. Expenditure under trust fund projects in 1986 and 1987 is expected to be some 6 per cent over the 1985 level of \$46.2 million.

B. Food and Agriculture Organization of the United Nations

	\$
Total effective working budget for 1986-1987	437 000 000 a/
Total effective working budget for 1984-1985	421 140 000 b/
Increase	15 860 000
	3.8 per cent

a/ At 1,760 lire to the United States dollar.

b/ At 1,615 lire to the United States dollar.

40. The Advisory Committee discussed the programme and budget of FAO with representatives of the Director-General of that organization.

41. At its twenty-third session in November 1985, the FAO Conference approved the budget for 1986-1987 in the amount of \$437,000,000. In the following table, the 1986-1987 regular programme budget is compared with the approved budget for 1984-1985.

	1986-1987 approved budget	1984-1985 approved budget	Increase 1986-1987 over 1984-1985	Percentage increase (decrease)
(Thousands of United States dollars)				
1. General policy and direction	31 542	32 222	(680)	(2.1)
2. Technical and economic programmes	198 924	188 576	10 348	5.5
3. Development support programmes	72 54	71 641	900	1.3
4. Technical co-operation programme	61 421	57 470	3 951	6.9
5. Support services	57 406	54 736	2 670	4.9
6. Common services	14 566	15 895	(1 329)	(8.4)
7. Contingencies	600	600	-	-
	<u>437 000</u>	<u>421 140</u>	<u>15 860</u>	<u>3.8</u>

42. The breakdown of the increase in the approved budget for 1986-1987 over the approved budget for 1984-1985 in terms of cost and programme increases is as follows:

	\$
1. 1984-1985 approved budget <u>a/</u>	421 140 000
2. Cost increase <u>b/</u>	<u>10 541 000</u>
	431 681 000
3. Programme increase <u>a/</u>	5 030 000
4. Cost increase on 3 above <u>b/</u>	<u>289 000</u>
5. 1986-1987 approved budget <u>c/</u>	<u><u>437 000 000</u></u>

a/ At 1,615 lire to the United States dollar.

b/ After deduction of currency adjustment of \$11,380,000 covering revaluation to 1,760 lire to the United States dollar.

c/ At 1,760 lire to the United States dollar.

43. The programme changes in the approved budget, excluding cost increases, are shown in the table below:

	1986-1987 approved budget a/	1984-1985 approved budget	Programme change (decrease)	Percentage increase (decrease)
(Thousands of United States dollars)				
1. <u>General policy and direction</u>				
1.1 Governing bodies	11 643	12 643	(1 000)	(7.9)
1.2 Policy, direction and planning	8 153	8 168	(15)	(0.2)
1.3 Legal	3 376	3 558	(182)	(5.1)
1.4 Liaison	8 129	7 853	276	3.5
Total, chapter I	31 301	32 222	(921)	(2.9)
2. <u>Technical and economic programmes</u>				
2.1 Agriculture	152 783	147 469	5 314	3.6
2.2 Fisheries	25 468	24 522	946	3.9
2.3 Forestry	17 277	16 585	692	4.2
Total, chapter II	195 528	188 576	6 952	3.7
3. <u>Development support programmes</u>				
3.1 Field programme planning and liaison	5 123	4 873	250	5.1
3.2 Investment	20 065	20 815	(750)	(3.6)
3.3 Special programmes	1 886	1 840	46	2.5
3.4 FAO Representatives	42 580	43 480	(900)	(2.1)
3.9 Programme management	645	633	12	1.9
Total, chapter III	70 299	71 641	(1 342)	(1.6)
4. <u>Technical co-operation programme</u>	59 905	57 470	2 435	4.2
5. <u>Support services</u>				
5.1 Information and documen- tation	17 800	17 767	33	0.2
5.2 Administration	35 697	35 362	335	0.9
5.9 Programme management	1 600	1 607	(7)	(0.4)
Total, chapter V	55 097	54 736	361	0.7
6. <u>Common services</u>	13 440	15 895	(2 455)	(15.4)
7. <u>Contingencies</u>	600	600	-	-
Grand Total	426 170	421 140	5 030	1.2

a/ At 1984-1985 prices.

/...

44. The approved establishment of FAO for 1986-1987 remains as previously reported in table B in document A/39/592, namely, 2,411 posts (966 Professional and above, and 1,445 General Service) as against 2,402 posts for 1984-1985 (952 Professional and higher levels and 1,450 General Service).

45. Miscellaneous income in 1986-1987 is estimated at \$41,000,000, of which \$34,300,000 is expected to accrue from interest on bank accounts and deposits.

Extrabudgetary resources

46. It is estimated that expenditure from extrabudgetary resources in 1986-1987 will total some \$648 million, i.e. one-and-a-half times the amount of the regular budget.

47. UNDP will continue to be the major single source of extrabudgetary funds, although the proportion of the total FAO Field Programme accounted for by UNDP has considerably declined as a result of the sharp fall in resources available to UNDP in recent years. Whereas in 1974 UNDP represented 70 per cent of the total field programme, its share has declined to slightly below 43.9 per cent in 1984. FAO's delivery for projects executed for UNDP reached a peak level of \$182.5 million in 1981, and has since been falling to \$116.5 million in 1983 and \$109.2 million in 1984. In 1985 delivery again slightly increased to \$115.9 million.

48. Trust fund resources have shown a steadily increasing trend with delivery rising from \$99 million in 1980 to some \$139.6 million in 1984. Following the level of new project proposals, and the contributions from a growing number of funding sources, delivery reached \$147.6 million in 1985.

49. As at 1 January 1985 FAO had a total of 1,443 posts financed from sources other than the regular budget. A summary by category and source of funding is given in the following table:

	<u>Professional and above</u>	<u>General Service</u>	<u>Total</u>
UNDP	168	397	565
Trust funds	103	239	342
World Food Programme	41	92	133
Other funds	139	264	403
	<u>451</u>	<u>992</u>	<u>1 443</u>

C. United Nations Educational, Scientific and Cultural Organization

	\$
Approved budget ceiling for 1986-1987 <u>a/</u>	398 468 000
Adjusted budget for 1984-1985	<u>374 410 000</u>
Increase	24,058,000

a/ Includes Programmes, activities and services placed in reserve (see paras. 53 and 54 below).

50. The Advisory Committee discussed the UNESCO approved programme and budget for 1986-1987 and related matters with representatives of the Director-General of UNESCO.

Budget for 1986-1987

51. The budget for 1986-1987 was prepared on the basis of an amount identical with that of the budget for 1984-1985 as approved and recosted. However, the initial budget proposals made by the Director-General were accompanied by a supplementary report which examined the question of the adjustments that might have to be made in order to allow for the shortfall resulting from the withdrawal from the organization of the United States of America. In order to reflect the adjustments made by the General Conference, a new Part IX (Programmes, activities and services placed in reserve) was established after Part VIII of the budget for 1986-1987, in which sums deducted from various appropriation lines and corresponding to activities cancelled or postponed by decision of the General Conference were included up to the amount required to allow for the shortfall in resources resulting from the withdrawal of the United States of America.

52. The budget approved for 1986-1987 by the General Conference at its twenty-third session is summarized by main elements as follows:

<u>Part</u>	<u>Amount</u>	
	\$	%
I - General policy and direction	26 763 500	6.7
II - Programme operation and services	222 400 500	55.8
III - Programme supporting services	30 770 400	7.7
IV - General administrative services	25 737 600	6.5
V - Common services	26 500 800	6.7
VI - Capital expenditure	<u>1 055 000</u>	<u>0.3</u>
Total I to VI	333 227 800	83.7
VII - Appropriation reserve	16 584 000	4.2
VIII - Currency fluctuation	<u>(42 588 800)</u>	<u>(10.7)</u>
Total I to VIII	307 223 000	77.2
IX - Programme, activities and services placed in reserve	<u>91 245 000</u>	<u>22.8</u>
Budget ceiling	<u>398 468 000</u>	<u>100.0</u>

53. The General Conference decided also that in the event that the announced intention of two member States to withdraw from the organization at the end of 1985 became effective, the Director-General would be authorized to deduct from the various appropriation lines in Parts I to VIII the amounts necessary to meet the financial effects of these withdrawals. The amount so deducted would be added to Part IX.

54. The Director-General made the deductions necessary to cover the budgetary shortfall due to the withdrawal from UNESCO of the United Kingdom and Singapore, which became effective on 31 December 1985. These adjustments were approved by the Executive Board at its 124th session (Paris, May 1986). The revised budget for 1986-1987 is as follows:

	<u>23 C.5 Approved</u>	<u>Adjustments</u>	<u>23 C/5 Approved</u> <u>as adjusted</u>	
	\$	\$	\$	%
Parts I-VI	333 227 800	(20 237 300)	313 020 500	78.6
Part VII	16 584 000	(974 100)	15 609 900	3.9
Part VIII	<u>(42 588 800)</u>	<u>3 297 380</u>	<u>(39 291 420)</u>	<u>(9.9)</u>
Appropriation	307 223 00	(17 884 020)	289 338 980	72.6
Part IX	<u>91 245 000</u>	<u>17 884 020</u>	<u>109 129 020</u>	<u>27.4</u>
Budget ceiling	<u>398 468 000</u>	<u>-</u>	<u>398 468 000</u>	<u>100.0</u>

55. It should be noted in this respect that of the total deduction of \$17,884,000 an amount of \$6,986,300 is expected to be recovered from voluntary contributions made by member States in order to meet the shortfall resulting from the withdrawal of members. Member States pledged a total of some \$10,000,000 in terms of voluntary contributions, of which \$9,000,000 became available and some \$3,000,000 was spent. It is proposed to use voluntary contributions, in the first instance, to finance programme and staff costs that would have otherwise been reduced (mainly under Part II of the budget) due to the withdrawal of the United Kingdom and Singapore.

Other significant features

56. Appropriation Reserve (Part VII). The budget for 1986-1987, as in previous bienniums, contains a provision to cover expected price increases during the course of the financial period entitled "Appropriation Reserve" (Part VII of the budget). This reserve may be used by the Director-General, with the approval of the Executive Board, for the purpose of meeting increases in staff costs arising during the biennium, and increases in the costs of goods and services. For 1986-1987 the amount of the Appropriation Reserve totals \$15,609,900. This amount has been arrived at by using an estimated rate of inflation of 5 per cent per annum over the provisions contained in Parts I-V of the budget.

/...

57. Provision for Currency Fluctuation (Part VIII). It should be noted that since the budget of UNESCO is expressed in United States dollars and since nearly 60 per cent of the expenditure is in French francs, the application of the principle of a constant dollar also necessitates inclusion in the budget of a provision to adjust the estimates to take account of variations in the exchange rates between the United States dollar and the French and Swiss francs. ^{9/} The amount of this provision, which is shown as Part VIII of the budget, is a function of the differential between the constant dollar rate used in the elaboration of the budget and the prevailing United Nations exchange rate at the time the budget is adopted. The bottom line, therefore, expresses the budget estimates at their current value and serves as the basis for calculating assessments on member States.

58. The provision may be used by the Director-General if and when the rates of exchange between the United States dollar and the Swiss and French francs are lower than the constant dollar rates assumed in Parts I to VI of the budget, i.e. 6.45 French francs or 2.01 Swiss francs equal to 1 United States dollar. If the rates are higher than these constant dollar rates, the resulting savings are credited to Part VIII of the budget. For 1986-1987 the amount of the provision, which was established on the basis of the exchange rates of 8.10 French or 2.19 Swiss francs to the United States dollar, i.e. the rate prevailing at the time of the adoption of the budget, resulted in a negative provision of \$39,291,420 in Part VIII of the budget.

59. Funds in Part VIII of the budget are not available for transfer for other purposes. Furthermore, in the event that the actual rates of exchange should give fewer French and Swiss francs than the rates used in calculating the provision in Part VIII (e.g. 8.10 French or 2.19 Swiss francs to the United States dollar to the 1986-1987 budget), the deficit in this part of the budget would have to be covered by supplementary estimates submitted by the Director-General in accordance with the Financial Regulations of UNESCO.

60. Transfers between appropriation lines. Except for Part VIII (currency fluctuation), the Director-General may make transfers between appropriation lines, subject to the approval of the Executive Board. In addition, he is authorized to make transfers between appropriation lines if the expenditures for common staff costs exceed the amounts provided in the budget. In this instance, the Director-General must inform the Executive Board at its next session of the details of such transfers.

61. Established posts. For 1986, the regular budget provides for 2,094 established posts at Headquarters and in the Field, including 863 posts at the Professional and higher levels. For 1987, 2,074 posts, including 833 at the Professional and higher levels, have been budgeted.

62. The adjusted provision of \$182,998,300 for Staff Costs in 1986-1987 was arrived at after applying a turn-over factor of 5 per cent for all existing staff and 50 per cent delayed recruitment factor for new posts in the Professional Category and above, and 35 per cent for new posts in the General Service category.

63. In drawing up the budget estimates for 1986-1987 efforts were made to assign to each subprogramme all the costs necessary for carrying it out, i.e. staff costs, field office costs, costs of the office of the Assistant Director-General concerned, etc. This constitutes a further refinement in the process of distributing indirect costs which was previously limited to the identification of indirect costs at the level of each programme.

The account for end-of-service grants and indemnities

64. The account for end-of-service grants and indemnities was originally set up to finance the unforeseen expenses for staff reductions following the withdrawal of one member State. Its use was subsequently extended to expenses associated with the staff reductions following the withdrawal of two other member States.

65. The twenty-third session of the General Conference of UNESCO, by resolution No. 38, authorized the Director-General to use initially, and on a provisional basis, a sum of up to \$8 million and delegated the authority to the Executive Board to increase that amount to the extent necessary. The Finance and Administrative Commission of the 125th session of the Executive Board has recommended that the Board authorize the Director-General to use an additional sum of \$2 million provisionally, thus bringing the sum to \$10 million. This sum is to be financed from excesses in Miscellaneous Income for 1984-1985 and to be replenished before 31 December 1993 at no extra cost to member States, without affecting the integrity of the programme.

D. International Civil Aviation Organization

	\$
Estimates for 1987	30 816 000 <u>a/</u>
Appropriations for 1986	32 349 000 <u>a/</u>

Decrease	(1 533 000)
	-4.74 per cent

a/ Net of staff assessment.

66. The Advisory Committee discussed the budget of ICAO with a representative of that organization.

67. ICAO has a triennial budget. Every three years its Assembly approves appropriations for each year of the succeeding triennium. The budget estimates, prepared by the Secretary-General on the basis of the expected programme of work approved by the Council of ICAO, are submitted for consideration by the Council. Subsequently, the Council's budget estimates are submitted to the Assembly. The budget estimates for the financial years 1987, 1988 and 1989 will be presented for approval by the Assembly at its twenty-sixth session to be held in September and October 1986.

1. Estimates for 1987-1988-1989

68. The budget estimates for the financial years 1987-1988-1989 total \$96,622,000 for the triennium, as against \$91,999,000 for the current triennium, i.e., an increase of \$4,623,000 or 5.0 per cent. The estimates for 1987-1988-1989 and the appropriations for 1984-1985-1986, by parts of the budget, are as follows:

Table A
Summary of appropriations and estimates

Net of staff assessment							
(In thousands of United States dollars)							
	(1)	(2)	(3)	(4)	(5)	(6)	(8)
	1984	1985	1986	1984-1986	1987	1988	1987-1989
I - Meetings	450	318	541	1 309	630	390	1 572
II - The Secretariat	21 397	21 733	22 037	65 167	22 508	22 941	68 579
III - General Services	4 132	4 123	4 196	12 451	4 612	4 698	14 074
IV - Equipment	593	416	280	1 289	859	571	1 840
V - Other budgetary provisions	113	113	113	339	154	154	462
VI - Contingencies	2 456	3 806	5 182	11 444	2 053	3 351	10 095
Total gross	29 141	30 509	32 349	91 951	30 816	32 105	96 622
Per cent increase from prior year		4.7%	6.0%		-4.7%	4.2%	5.0%

69. The proposed budget for the triennium represents a reduction in real terms compared with the budget approved by the ICAO Assembly for the current triennium. This has been achieved in spite of an increase in expenditure by the regional offices.

70. The level of posts in the establishment of ICAO proposed for the forthcoming triennium remains unchanged from the previous triennium. The Secretary-General of ICAO intends to redeploy certain posts, primarily from headquarters to the regional offices, in order to meet newly identified needs and to provide improved advisory service to member States.

71. The budget estimates are presented on a net basis. Historically, staff costs (principally Part II) have been presented on a gross basis with a deduction for staff assessments being made at a later stage. The ICAO Council has recommended to the Assembly that in future the budget be presented on a net basis.

72. The estimates for Parts I to V are based on salary, allowance and price levels in effect at the time of preparation of the budgets in early 1986. They take into account cost increases that have already taken place over the current triennium. Further cost increases likely to occur during the next triennium are provided for in Part VI - Contingencies. This provision is designed to cover the four-year period 1986-1989.

73. The 1987 estimates are to be financed as follows:

	\$
(a) By miscellaneous income	1 986 000
(b) By assessment on Contracting States	<u>28 830 000</u>
	<u>30 816 000</u>

2. Regular programme 1987

74. The budget estimates for 1987 as compared to appropriations for 1986 are broken down by Part as follows:

Table B

Summary of appropriations and estimates

Net of staff assessment

(In United States dollars)

<u>Parts of the budget</u>	<u>Appropriations 1985</u>	<u>Appropriations 1986</u>	<u>Estimates 1987</u>
I. Meetings	318 000	541 000	630 000
II. The secretariat			
Salaries, wages and other pay items	15 656 500	15 891 500	16 006 000
Common staff costs	6 076 500	6 145 500	6 502 000
	<u>21 733 000</u>	<u>22 037 000</u>	<u>22 508 000</u>
III. General services			
Hospitality	12 300	12 300	16 600
Communications services	785 000	785 000	928 000
Rental and maintenance of premises and equipment	1 578 600	1 612 100	1 808 000
Internal and external printing	356 700	386 200	409 000
Travel on official business	429 000	439 000	524 000
Audio-visual training programme	45 000	45 000	46 000
Miscellaneous supplies and services	916 400	916 400	880 400
	<u>4 123 000</u>	<u>4 196 000</u>	<u>4 612 000</u>
IV. Equipment	416 000	280 000	859 000
V. Other budgetary provisions	113 000	113 000	154 000
VI. Contingencies	3 806 000	5 182 000	2 053 000
Total, Parts I to VI	<u>30 509 000</u>	<u>32 349 000</u>	<u>30 816 000</u>

3. Working Capital Fund

75. The arrears in the payment of assessed contributions by Contracting States and delays in the payment of current contributions have, on occasions, resulted in some cash management problems particularly during the third and fourth quarters of 1984 and 1985. However, it is anticipated that surpluses realized during the past years and expected to be realized in 1986 will, together with the existing Working Capital Fund, provide sufficient funds to meet the Organization's cash flow requirements for the 1987 to 1989 triennium.

76. The level of the Working Capital Fund was increased from \$1.5 million to \$2.2 million on 1 January 1984. The Council has recommended to the Assembly (twenty-sixth session, September-October 1986) that the Working Capital Fund be maintained at this level. However, the Council has drawn the attention of the Assembly to the possibility that the size of the Working Capital Fund may need to be reviewed in three years' time.

4. Disposition of realized surplus

77. At 31 December 1985, the amount of realized surplus was \$3,568,270. The ICAO Council has recommended to the Assembly the disposition of \$2,000,000 as credits to Contracting States (\$1,000,000 on 1 January 1987 and \$1,000,000 on 1 January 1988) on the basis of the amounts assessed.

5. Administrative and operational services costs of technical assistance

78. The funds which finance technical assistance programmes (UNDP, trust funds and other funds) are kept separate from funds provided by the regular budget. The regular budget is fully reimbursed for all identifiable services rendered by the regular programme to extrabudgetary activities. In 1985, the total field programme expenditures relating to technical assistance activities financed by extrabudgetary funds amounted to \$51,690,537 as compared with \$47,395,900 the year before. The estimate for 1986 is \$51,700,000. The net administrative and operational services costs of these activities amounted to \$7,730,277 for 1985 and \$8,217,779 for 1984. For 1986 the estimate is \$8,309,100.

6. Ways and means of overcoming delays in payments of assessments - ICAO "Incentive Scheme"

79. The Committee was informed that, while the overall financial position of ICAO has been satisfactory during the years 1983, 1984 and 1985, arrears in the payment of assessed contributions by Contracting States and delays in the payment of current contributions have, on occasions, resulted in serious cash-flow problems. In consequence, the ICAO Assembly, at its twenty-fourth session held during September 1983, requested the Council to undertake an in-depth review of the ways and means of overcoming delays in the payment of current year assessments.

80. The resulting Council study makes recommendations aimed at encouraging the timely payment of assessed contributions and suggests the adoption of an "Incentive Scheme". In a draft resolution to be considered by the ICAO Assembly at its twenty-sixth session in October 1986, the Council recommends

- ... "2. that a scheme of incentives be implemented effective 1 January 1987 to encourage timely payment of assessed contributions, whereby amounts of realized surplus in each of the three financial years preceding the year of the Assembly, up to a maximum equivalent to the Organizations's interest earnings on investments in each of these years, would be distributed to Contracting States according to a weighted scale on the basis of the dates and amounts of current year contributions paid in as well as the share of undistributed surpluses accrued from previous years' budgets;

"3. that, following adoption of the audited accounts by the Assembly, an incentive amount equivalent to the interest earned for the three years will be apportioned among the Contracting States according to the incentive points accumulated over the three-year period. If the amount of surplus available for distribution is less than the interest earned, only the amount available for distribution will be apportioned. The appropriate share of incentive so calculated will be distributed to Contracting States along with other budget surpluses distributed in accordance with Financial Regulation 6.2 (a)".

E. Universal Postal Union

	<u>Swiss francs</u>	<u>US dollars</u>
Net budget 1986	21 381 360	10 230 316
Net budget 1987	<u>22 497 420</u>	<u>10 764 316</u>
Increase	1 116 060	534 000

5.2 per cent

The budget of UPU is expressed in Swiss francs and all United States dollar amounts are based on an exchange rate of 2.09 Swiss francs to \$US 1.

Expenditure ceiling

81. The budget must stay within the financial ceiling which the Universal Postal Congress of Hamburg set for each year of the period 1986-1990.

Summary analysis of 1986-1987 budgets

82. UPU's budget covers a one-year period and is set by the Executive Council of the Union during the year preceding the related budget period. The expenditures foreseen for 1986 and 1987 are divided among the following items of expenditure:

	<u>1986 budget</u>		<u>1987 budget</u>	
	<u>Swiss francs</u>	<u>US dollars</u>	<u>Swiss francs</u>	<u>US dollars</u>
1. Staff costs	19 517 100	9 338 325	19 704 400	9 427 943
2. General expenditures	<u>5 225 900</u>	<u>2 500 431</u>	<u>5 057 500</u>	<u>2 419 856</u>
3. Total of gross expenditures	24 743 000	11 838 756	24 761 900	11 847 799
4. Miscellaneous income	<u>3 361 640</u>	<u>1 608 440</u>	<u>2 264 480</u>	<u>1 083 483</u>
Total net	<u>21 381 360</u>	<u>10 230 316</u>	<u>22 497 420</u>	<u>10 764 316</u>

83. Compared to the previous year, personnel expenses have increased 8.8 per cent in 1986 and 1 per cent in 1987. The establishment of three new posts (two P and one G) was authorized in 1986, thus increasing the total number of permanent posts to 141 for 1986 and 1987. Of these posts 12.5 are assigned to technical co-operation activities and are partly financed by funds reimbursed by the UNDP for agency support costs.

84. General expenses for 1987 reflect the following percentage changes as compared with the total for 1986:

	<u>1986 budget</u>	<u>1987 budget</u>
	%	%
Real increase/decrease	1.0	(5.3)
Increase due to inflation	<u>3.0</u>	<u>2.1</u>
Actual increase/decrease	4.0	(3.2)

85. Income foreseen for 1986-1987 is as follows:

	<u>1986 budget</u>		<u>1987 budget</u>	
	<u>Swiss francs</u>	<u>US dollars</u>	<u>Swiss francs</u>	<u>US dollars</u>
1. Appropriation from Reserve Fund	1 000 000	478 469	-	-
2. Administrative income				
Reimbursement of agency support costs by UNDP	1 135 200	543 158	1 149 500	550 000
Sale of publications	467 000	223 445	254 000	121 531
Rental of premises	547 000	261 722	570 000	272 727
Other	<u>212 440</u>	<u>101 646</u>	<u>290 980</u>	<u>139 225</u>
Total	<u>2 361 640</u>	<u>1 129 971</u>	<u>2 264 480</u>	<u>1 083 483</u>
Grand total of income	<u>3 361 640</u>	<u>1 608 440</u>	<u>2 264 480</u>	<u>1 083 483</u>

The Advisory Committee was informed that UPU was able to use its Reserve Fund for four consecutive years (1983-1986) to reduce the level of the contributory unit; this practice cannot be repeated in 1987, otherwise the Reserve Fund will be exhausted. 10/

Contributory shares

86. The net expenditures of the Union are covered by contributions which are calculated on the basis of the budget. The member States pay their contributions in advance according to the contribution class (ranging between 50 and 0.5 units) which they choose themselves. The level of the contributory unit was set by the Executive Council at 21,840 Swiss francs (\$10,449.76) for 1986 and at 22,980 Swiss francs (\$10,995.22) for 1987 on the basis of a total of 979 contributory units for the 168 member States of the Union.

F. World Health Organization

	<u>Effective working budget</u>
	(US dollars)
1986-1987	543 300 000
1984-1985	<u>520 100 000</u>
Increase	23 200 000
	4.46 per cent

87. The Advisory Committee discussed the programme and budget of the World Health Organization (WHO) for 1986-1987 and other related matters with representatives of the Director-General of that organization.

1. Gross budget for 1986-1987

88. The Thirty-eighth World Health Assembly appropriated for the financial period 1986-1987 an amount of \$605,252,100 to cover:

	<u>United States dollars</u>
(a) Effective working budget	543 300 000
(b) Undistributed Reserve equalling the assessments on inactive members and on South Africa	9 952 100
(c) Transfer to Tax Equalization Fund	52 000 000

The approved appropriations are to be financed by assessments on members amounting to \$543,537,400 as follows:

Total appropriations	605 252 100
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Less

Estimated reimbursement of programme support costs relating to activities financed by the United Nations Development Programme	(5 000 000)
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Casual income	(56 790 000)
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<u>543 462 100</u>

89. The following table shows a comparison between the Regular Budget levels and amounts assessed on members for the years indicated:

	<u>Gross budget level</u>	<u>Credits other than assessments</u>	<u>Net assessments</u>	<u>Effective working budget</u>
	US \$	US \$	US \$	US \$
1986-1987	605 252 100	110 439 000	494 813 100	543 300 000
1984-1985	581 739 900	105 744 000	475 995 900	520 100 000

2. Effective working budget and budget level for 1986-1987

90. As can be seen from the above table, the Thirty-eighth World Health Assembly approved an effective working budget for 1986-1987 amounting to \$543,300,000, which was \$23,200,000 or 4.46 per cent more than the corresponding total approved for 1984-1985. The total budget approved for 1986-1987 provides for no real increase over the effective working budget for 1984-1985, a cost increase of 12.04 per cent (statutory costs and inflation) and a cost decrease of 7.58 per cent (revised budgetary rates of exchange) resulting in the above-mentioned overall budgetary increase between the two bienniums amounting to 4.46 per cent.

91. The Advisory Committee was informed that an effective working budget of \$554,000,000 had been proposed by the Director-General and recommended by the Executive Board for approval by the the Thirty-eighth World Health Assembly in May 1985. The Board also endorsed the Director-General's proposal to appropriate an amount of \$US 56,500,000 of casual income (estimated to be available on 31 December 1984) to help finance the regular budget.

92. However, in the course of its examination of the proposed programme budget for 1986-1987, the Executive Board noted that the budgetary rates of exchange used between the United States dollar and several major regional office currencies differed significantly from current market rates. Consequently it was agreed that this matter would be reviewed by the Director-General and a report submitted to the Committee of the Executive Board to Consider Certain Financial Matters prior to the Thirty-eighth World Health Assembly. It was also agreed that this Committee would review the amount of casual income actually available at 31 December 1984 as reflected in the interim financial report for 1984.

93. On the basis of this further review, the Health Assembly decided to adjust the budgetary rates of exchange between the United States dollar and four of the major regional office currencies, as proposed by the Director-General, resulting in a saving of \$US 7,500,000. The Health Assembly also agreed to the Director-General's proposal that, as a result of the postponement by the United Nations General Assembly of an increase of one class of post adjustment in New York in December 1984, the related budgetary provisions in the proposed programme budget for 1986-1987 be reduced by \$US 3,200,000. Finally, the Health Assembly decided to increase by \$290,000 the total amount of available casual income to be used to help finance the budget for 1986-1987.

94. In the light of the foregoing, the Thirty-eighth World Health Assembly approved the effective working budget for 1986-1987 of \$US 543,300,000 as shown above. Inasmuch as the Interim Financial Report for 1984 showed that the total amount of casual income available at the end of 1984 was slightly larger than had been originally estimated, the Health Assembly decided to appropriate \$US 56,790,000 (instead of \$US 56,500,000) to help finance the regular budget for 1986-1987.

95. The programme budget for 1986-1987 provides for the following increases and decreases compared to 1984-1985:

<u>Appropriation section</u>	<u>Purpose appropriation</u>	<u>1984-1985</u> US \$	<u>1986-1987</u> US \$	<u>Increase (decrease)</u> US \$
1.	Direction, co-ordination and management	60 938 600	62 812 700	1 874 100
2.	Health system infrastructure	170 226 000	179 084 500	8 858 500
3.	Health science and technology - health promotion and care	91 576 000	101 123 300	9 546 600
4.	Health science and technology - disease prevention and control	78 525 700	84 480 400	5 954 700
5.	Programme support	118 833 000	115 799 100	(3 033 900)
	Total effective working budget	<u>520 100 000</u>	<u>543 300 000</u>	<u>23 200 000</u>

96. The total budget increase of \$23,200,000 in 1986-1987 represents cost increases due to statutory costs and inflation as shown in the following table:

	<u>US \$</u>	<u>Percentage increase (decrease)</u>
1. Effective working budget 1984-1985	520 100 000	
2. Real programme increase (decrease)	-	-
3. Cost increases due to statutory costs and inflation	62 600 000	12.4
4. Cost decreases due to rates of exchange	(39 400 000)	(7.58)
5. Effective working budget 1986-1987	543,300,000	4.46

3. Posts in established offices under the regular budget

97. The 1986-1987 budget provides for a net increase of 21 posts in established offices as compared to 1984-1985. The following table shows the posts at global/interregional and regional levels for the two bienniums:

	<u>1984-1985</u>	<u>1986-1987</u>	<u>Increase</u>
Global and interregional	1 029	1 034	5
Regional	1 668	1 684	16
	<u>2 697</u>	<u>2 718</u>	<u>21</u>

4. Integrated international health programme

98. In addition to its regular budget, WHO directly or indirectly administers funds from several sources. In recent years the number of sources of funds and the amounts of extrabudgetary resources available to the integrated international health programme have grown in scale and importance. As currently estimated, such funds total \$436,730,000 and represent about 44 per cent of the total resources included in the proposed programme budget for 1986-1987; moreover, it is likely that additional extrabudgetary funds will become available prior to and during the biennium. These funds derive from a number of different sources, including the Pan American Health Organization, the Voluntary Fund for Health Promotion (which includes various sub-accounts to which voluntary contributions are credited), the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Fund for Drug Abuse Control (UNFDAC), the United Nations Fund for Population Activities (UNFPA), and trust funds (including those for the Onchocerciasis Control Programme in the Volta River Basin Area and the Special Programme for Research and Training in Tropical Diseases).

99. The total estimated costs of activities administered directly or indirectly by WHO in 1984-1985 and 1986-1987, under all sources of funds, are summarized in the following table:

	<u>1984-1985</u>	<u>1986-1987</u>
	US \$	US \$
I. ESTIMATED OBLIGATIONS		
Regular budget programme	520 100 000	543 300 000
Other programmes	470 031 000	436 730 000
Total	<u>990 131 000</u>	<u>980 030 000</u>

	<u>1984-1985</u>	<u>1986-1987</u>
	US \$	US \$
II. SOURCES OF FINANCING		
<u>Regular budget</u>	<u>520 100 000</u>	<u>543 300 000</u>
<u>Other sources</u>		
Pan American Health Organization	139 095 000	136 769 600
Voluntary Fund for Health Promotion	95 490 900	82 915 700
Income from United Nations sources:		
United Nations Children's Fund	60 000	-
United Nations Development Programme	36 718 100	28 193 600
United Nations Environment Programme	965 000	4 098 000
United Nations Fund for Drug Abuse Control	596 200	320 000
United Nations Fund for Population Activities	39 332 500	30 357 400
United Nations High Commissioner for Refugees	142 000	190 100
Trust Funds	126 375 600	123 559 300
Special Account for Servicing Costs	10 295 700	10 863 300
International Agency for Research on Cancer	20 960 000	19 463 000
Subtotal - Other sources	<u>470 031 000</u>	<u>436 730 000</u>
Total	<u>990 131 000</u>	<u>980 030 000</u>

5. Other matters

100. As previously reported, the World Health Assembly in recent years has authorized the Director-General to use available casual income up to a certain maximum amount to cover the net additional costs to the Organization under the regular budget resulting from differences between the WHO budgetary rate of exchange and the United Nations/WHO accounting rates of exchange with respect to the United States dollar/Swiss franc relationship prevailing during a particular financial period. For 1979 and 1980-1981 respectively the maximum amount authorized for this purpose was in each case \$15 million. For 1982-1983 and 1984-1985 respectively the maximum amount authorized was \$20 million. A similar authorization for the same purpose and in the same amount was given by the Thirty-eighth World Health Assembly covering the financial period 1986-1987.

101. In view of the significant decline in the value of the United States dollar in relation to a number of currencies during the latter part of 1985 and early part of 1986, the Director-General proposed to the Thirty-ninth World Health Assembly that the above-mentioned authorization be extended to cover also the major regional office currencies (CFA franc, Danish krone, Egyptian pound, Indian rupee and Philippine peso) and that the maximum amount of available casual income that could be used for this purpose be increased to \$31 million. This proposal was approved by the Health Assembly.

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G. International Telecommunication Union

	<u>Regular and supplementary publications budgets a/</u>		<u>Technical co-operation special accounts budget</u>	
	<u>Sw.frs.</u>	<u>\$US b/</u>	<u>Sw.frs.</u>	<u>\$US</u>
1987 Gross budget	117 405 000	56 175 000	9 685 000	4 634 000
1986 Gross budget	113 464 000	54 289 000	10 707 000	5 123 000
1985 Gross budget	111 485 000	53 342 000	10 175 000	4 868 000
1984 Gross budget	101 811 000	40 724 000	9 987 000	3 995 000
Increase 1986-1987/ 1984-1985 c/	17 573 000	16 398 000	230 000	894 000
Increase in per cent c/	8.24	17.43	1.14	10.08

a/ Includes regional conferences budget.

b/ The budgets of the Union are expressed in Swiss francs and the US dollar figures are based on an exchange rate of Sw.frs. 2.18 = \$US 1 for 1983, Sw.frs. 2.50 = \$US 1 for 1984 and Sw.frs. 2.09 = \$US 1 for 1985, 1986 and 1987.

c/ Grouped together for purposes of comparability - ITU has separate annual budgets.

1. General comments on the budget of the Union

102. The Advisory Committee discussed the programme and budget of ITU and related matters with the Secretary-General of ITU.

103. Under the Union's Financial Regulations, the budget is established for one year and the Union's budget is drawn up in Swiss francs, the ITU's currency of account. The overall budget of the Union comprises a number of individual budgets, which are financed in different ways, as follows:

(a) The ordinary budget (including world conferences), financed mainly out of the annual contributions from Union members and the contributions from recognized private operating agencies, scientific or industrial organizations and international organizations;

(b) The budget for regional conferences, financed out of contributions from the member countries in the regions concerned;

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(c) The Technical Co-operation special accounts budget, the income of which is derived from UNDP contributions and funds-in-trust for the defrayal of administrative and operational services costs;

(d) The supplementary publications budget, relating to publications sold by the Union at cost price and, accordingly, financed out of the proceeds of the sale of these publications.

104. Furthermore, under the International Telecommunication Convention (Nairobi, 1982) different versions of the Union's draft budget must be submitted to the Administrative Council, as follows:

- (a) The conventional version (i.e. by type of expenditure);
- (b) A functional version (i.e. by organs, departments and sections);
- (c) A version for zero growth of the contributory unit of members.

105. The budget must also comprise budget forecasts for the following two years and a cost analysis.

106. The ordinary budget must be drawn up within the limits set by the Plenipotentiary Conference (Nairobi, 1982). However, the Administrative Council may authorize that those limits be exceeded to cover changes in:

- (a) Salary scales, pension contributions and allowances, including post adjustments established by the United Nations for application to their staff employed in Geneva;
- (b) The exchange rate between the Swiss franc and the United States dollar, to the extent that this affects the staff costs of those on United Nations scales;
- (c) The purchasing power of the Swiss franc in relation to non-staff expenditure.

107. If after taking into account this authority, the credits which may be used by the Council are still insufficient to meet the expenditures on activities which are not foreseen but are urgent, the Council may exceed the credits of the ceiling laid down by the Plenipotentiary Conference by an amount up to 1 per cent of those credits. If the proposed credits exceed the ceiling by 1 per cent or more, the Council may authorize those credits only with the approval of a majority of the members of the Union after they have been duly consulted. Whenever members of the Union are consulted, they must be presented with a full statement of the facts justifying the step.

2. Summary of the 1987 budget

108. At its forty-first session (1986), the Administrative Council approved the Union's budget for 1987, as follows:

107,173,000 Swiss francs (\$US 51 000,000) for the ordinary budget,
 182,000 Swiss francs (\$US 87,000) for the regional conferences budget,
 9,685,000 Swiss francs (\$US 4,634,000) for the Technical Co-operation
 special accounts budget,
 10,050,000 Swiss francs (\$US 4,809,000) for the supplementary publications
 budget.

127,090,000 Swiss francs (\$US 60,809,000)

109. The table below compares the 1986 and 1987 ITU budgets.

	<u>1986</u> <u>Swiss francs</u>	<u>1987</u> <u>Swiss francs</u>	<u>Increase</u> <u>Swiss francs</u>	<u>Percentage</u>
<u>Ordinary budget</u>				
Operational budget	02 968 000	84 058 000	1 090 000	1.31
Budget for the project "Extended use of the computer by the IFRB"	3 466 000	3 679 000	213 000	6.15
Budget for world conferences and meetings	12 410 000	19 361 000	6 951 000	56.01
Other expenditure*	2 585 000	75 000	(2 510 000)	(97.10)
Regional conferences budget	2 858 000	182 000	(2 676 000)	(93.63)
<u>Technical Co-operation special accounts budget</u>				
	10 707 000	9 685 000	(1 022 000)	(9.55)
<u>Supplementary publications budget</u>				
	9 177 000	10 050 000	873 000	9.51
	<u>124 171 000</u>	<u>127 090 000</u>	<u>2 919 000</u>	<u>2.35</u>

* (Includes payments into the Reserve Account 1986: 2,500,000, 1987: nil.)

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110. Estimated expenditure for 1987, as against that for 1986, may be broken down as follows per category of expenditure (in Swiss francs):

	<u>1986</u>	<u>1987</u>
	(Swiss francs)	
I. <u>Staff</u> (excluding staff contributions)		
Staffing-table posts	64 826 000	62 934 000
Supernumerary staff	10 091 000	15 587 000
II. <u>General services</u>		
Operational budget	12 650 000	13 349 000
Conferences and meetings	2 902 000	3 623 000
III. <u>Projects and activities of a special nature</u>		
Technical co-operation under the ordinary budget	6 317 000	6 178 000
Technical co-operation (administrative and operational services costs)	10 707 000	9 685 000
Extended use of the computer by the IFRB	3 466 000	3 679 000
Translation into Arabic, Chinese and Russian	1 350 000	1 350 000
Union publications	8 902 000	9 880 000
IV. <u>Other estimated expenditure</u>	<u>2 960 000</u>	<u>825 000</u>
	<u>124 171 000</u>	<u>127 090 000</u>

111. It can be seen from the above table that expenditure in staffing table posts and supernumerary staff has increased by 3,604,000 Swiss francs (4.81 per cent). The Committee was informed by ITU that this was due to:

(a) Staff cost decreases to take account of staff movements and reorganizations, fluctuations in the cost of dollar-based contributions to the pension and health assurance schemes, cost of dollar-based education allowances, etc. (Sw.frs. 2,205,000);

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(b) Temporary staff cost increase to meet the Union's heavy programme of conferences and meetings in 1987, Sw.frs. 5,809,000 (Cost of conferences, including Common Services, 1986: Sw.frs. 26,245,000 - 1987: Sw.frs. 32,393,000).

112. Supernumerary staff for 1987 shows an increase of Sw.frs. 5,496,000 (54.46 per cent) in comparison with the 1986 budget. The increase reflects the programme of conferences and meetings scheduled for 1987 which includes two World Administrative Radio Conferences (High Frequency Broadcasting and Mobile Radio) and meetings of the CCIs (Consultative Committees International Radio and Telegraph/Telephone).

113. Technical Co-operation under the ordinary budget shows a decrease of Sw.frs. 139,000 (2.2 per cent reflecting the movement in dollar-based contributions as mentioned in 10 (a) above.

114. Administrative and operational services costs for the Technical Co-operation Department show a decrease of Sw.frs. 1,022,000 due mainly to efforts to bring this account more in line with Support Cost Reimbursements received from UNDP and Trust Funds. Consequently vacant posts remained blocked.

115. Credits for Union Publications show an increase of Sw.frs. 978,000 reflecting a higher production volume over the 1986 programme.

116. During the most recent session of the Union's Administrative Council, it was decided that no payment would be made to the Reserve Account. This compares with a payment of Sw.frs. 2,500,000 for 1986.

117. The table below shows that estimates for conferences and meetings to be held in 1987, together with the corresponding information for 1986:

	<u>1986</u>		<u>1987</u>	
	<u>Sw.frs.</u>	<u>\$US</u>	<u>Sw.frs.</u>	<u>\$US</u>
Annual Session of the Administrative Council	780 000	373 000	792 000	379 000
World Administrative Radio Conferences				
High Frequency Broadcasting	1 814 000	868 000	2 210 000	1 057 000
Geostationary Orbit (Inter)	900 000	431 000	947 000	453 000
Mobile Services	324 000	155 000	1 916 000	917 000

	<u>1986</u>		<u>1987</u>	
	<u>Sw.frs.</u>	<u>\$US</u>	<u>Sw.frs.</u>	<u>\$US</u>
Regional Administrative Conferences				
Regions 1 and 3	410 000	196 000	182 000	87 000
Region 1 MM and EMA	255 000	122 000		
Region 2	1 123 000	537 000		
Africa region	1 070 000	512 000		
International Consultative Committees				
CCIR	968 000	463 000	2 720 000	1 301 000
CCITT	3 488 000	1 669 000	3 184 000	1 524 000
Seminars	320 000	153 000	275 000	132 000
Common Services (Temporary staff)	<u>4 150 000</u>	<u>1 986 000</u>	<u>7 481 000</u>	<u>3 579 000</u>
	15 602 000	7 465 000	19 707 000	9 429 000
Common Services (Permanent staff)	<u>10 643 000</u>	<u>5 092 000</u>	<u>12 684 000</u>	<u>6 069 000</u>
	<u>26 245 000</u>	<u>12 557 000</u>	<u>32 391 000</u>	<u>15 498 000</u>

H. World Meteorological Organization

	<u>\$</u>	<u>\$</u>
Approved budget 1986 and supplementary estimates	22 909 900	
Approved budget 1987	<u>21 112 500</u>	44 022 400
Approved budget 1984	18 750 000	
Approved budget 1985	<u>19 480 000</u>	<u>38 230 000</u>
Increase		5 792 400
		15.15 per cent

118. The Advisory Committee discussed the programme and budget of the World Meteorological Organization with the Secretary-General of WMO.

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119. WMO follows a four-year budgetary cycle. Its Congress meets every four years and establishes a budgetary ceiling for the next four-year financial period. Within that ceiling annual budgets are approved by the Executive Council. The Executive Council is empowered by the Congress to authorize the use of "flexibility clauses" which make it possible to adjust the level of the maximum expenditure for the financial period.

120. The ninth World Meteorological Congress, held in May 1983, authorized the Executive Council to incur maximum expenditures of \$77,516,400 (net) for the period 1984-1987. This amount was based on zero growth of programmes, and on salary scales, prices and exchange rates (2.08 Swiss francs to the United States dollar) prevailing on 1 May 1983. In resolution 35 (Cg-IX) on maximum expenditures, the Congress also authorized the Executive Council under the "flexibility clauses":

(a) To incur necessary expenditures resulting from any increase in staff salaries and allowances in consequence of changes in the United Nations common system of salaries and allowances;

(b) To incur any necessary expenditures up to \$500,000 made necessary by changes in currency exchange rates from items other than salaries;

(c) To incur other necessary expenditures not exceeding \$500,000 in total, which might be agreed by member States of WMO to meet unforeseen programme activities of an urgent character.

121. In addition to approving the ceiling for the ninth financial period, the Congress also examined the proposed structure of the WMO secretariat for the period and gave the Secretary-General the flexibility to implement this, within the financial limitations imposed by the approved maximum expenditures. By decision of Congress, the maximum number of established posts in the secretariat during the ninth financial period is 246.

122. Congress requested the Secretary-General to assess carefully the scope for any staff savings during the ninth financial period. Congress agreed that the Secretary-General, with the prior approval of the Executive Council, could implement the recommendations on the classification of posts at the D-1 and D-2 levels in compliance with the classification system of ICSC provided that this could be accommodated within the salary provisions of the budget approved by Congress.

123. The approved total of 246 posts is the same as was approved for the previous financial period. It should be noted that the total of 246 approved posts does not include the staff of the Technical Co-operation Department which is financed from UNDP funds, nor does it include staff for the joint activities covered by the agreement between WMO and the International Council of Scientific Unions (ICSU).

1986 and 1987 budgets

124. The Executive Council at its thirty-seventh session, held at Geneva in June 1985, approved the 1986 budget of WMO in the amount of \$18,028,000. Nineteen eighty-six was the third year of the four-year financial period. The 1986 budget

represents 23.26 per cent of the maximum expenditure approved by Congress for the period 1984-1987. The budget was based on salaries, exchange rates and cost-of-living indices prevailing on 1 June 1985. At the time of the thirty-eighth session of the Executive Council (June 1986), the exchange rate of United States dollar for Swiss franc (the currency in which approximately 88 per cent of WMO's obligations are expressed), had declined substantially (from Swiss francs 2.59 to 1.90 for \$US 1). It was estimated that the cost in United States dollars for meeting the obligations (expressed in Swiss francs) in respect of staff salaries, allowances and contractual goods and services would rise by 36 per cent. Therefore, the Executive Council considered and approved supplementary estimates totalling \$US 4,811,500 for 1986.

125. The same session had before it the proposals of the Secretary-General of WMO for the programme and budget for 1987. These proposals totalling \$US 19,198,600, were computed in October 1985 at the rates then prevailing (Swiss francs 2.19 = \$US 1) and had to be revised upwards to take account of the adverse fluctuations of exchange rates. The Executive Council approved the 1987 budget of \$US 21,112,500 based on salaries, exchange rates and cost-of-living indices prevailing on 1 June 1986.

126. The 1986 approved budget plus the supplementary estimates exceed the 1987 approved budget by \$US 1,797,400. Of this amount some \$US 1,547,400 is due to the programme variations caused by the fact that 1987 is the last year of the four-year period in which the session of Congress (Geneva, May 1987) shall decide on the new programme and budget. The remaining \$US 250,000 has been approved as the minimum amount required of regular budget contribution to the Technical Co-operation Fund.

127. It has been made certain that the actual expenditure for the years 1984 and 1985 together with the estimated expenditure for 1986 and the approved budget for 1987 would remain within the financial limits imposed by the ninth World Meteorological Congress for the current period 1984-1987.

128. The following table provides a summary of the WMO budgets for 1985, 1986 and 1987:

Part	Title	1985 <u>a/</u> approved budget	1986 approved budget and supplementary estimates	1987 approved budget
1.	Policy-making organs	478 400	756 200	928 000
2.	Executive management	802 900	1 035 600	1 016 500
3.	Scientific technical programmes	10 445 900	11 669 000	10 203 100
4.	Technical co-operation	209 400	489 200	243 900
5.	Programme support	3 865 300	4 502 400	4 537 100
6.	Administration	3 117 900	3 938 300 <u>b/</u>	3 707 000
7.	Other budgetary provisions	<u>470 200</u>	<u>519 200</u>	<u>476 900</u>
	Total	<u><u>19 480 000</u></u>	<u><u>22 909 900</u></u>	<u><u>21 112 500</u></u>

a/ 1985 actual expenditure \$17,747,084, including \$1,384,491 of unliquidated obligations.

b/ In addition, \$70,370 have been appropriated from 1985 to 1986 for the maintenance of and emergency repairs to the building of WMO headquarters in Geneva.

I. International Maritime Organization

Gross budget 1986-1987	30 059 000
Approved gross budget 1984-1985	<u>24 442 000</u>
Increase	5 617 000

23.0 per cent

129. The Advisory Committee met with a representative of the International Maritime Organization to discuss the budget for 1986-1987 and related matters.

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1. Regular budget for 1984-1985

130. Expenditure incurred under the regular budget in the biennium 1984-1985 amounted to \$22.43 million which was \$2.01 million less than the appropriations of \$24.44 million. The main reason for the saving was the fall in the value of the pound sterling against the United States dollar over the biennium. The actual average rate in 1984 was approximately 19 cents less than the rate adopted for the budget calculations, and that for 1985 was two cents less than the budget assumption. A number of other net savings were also possible, including economies through staggered recruitment to vacant posts.

131. In addition, miscellaneous income in the biennium was \$1.5 million more than originally estimated, mainly due to larger sums being available for investment through the carrying forward of part of the 1983 cash surplus, and the savings arising in 1984. This was, however, partly offset by arrears of contributions of just under \$1 million for the biennium.

132. The total cash surplus thus arising during 1984-1985 amounted to \$2.48 million. The balance of the cash surplus brought forward from previous financial periods amounted to \$3.47 million (the remainder having been mainly returned to member States by way of a reduction in assessments of about \$1 million in each of the years 1983, 1984 and 1985). In connection with the 1986-1987 budget proposals, the Secretary-General suggested that a further \$3 million of the available cash surpluses be returned to member States by way of a reduction in assessments during the 1986-1987 biennium, and this was approved by the Assembly. A decision on the disposal of the remainder of the available cash surpluses, the overall total of which was not known at the time of adoption of the 1986-1987 budget, will be taken by the Council of IMO later this year.

2. Regular budget for 1986-1987

133. Expenditure under the IMO regular budget is essentially limited to meeting the costs of intergovernmental meetings convened at headquarters, the secretariat staff and the headquarters premises. All of IMO's technical co-operation work is financed from extrabudgetary sources.

134. The Secretary-General's budget proposals for the current biennium reflected the work programme and meeting schedule established by member States. In particular, these proposals took into account a key resolution adopted at the twelfth IMO Assembly in 1981 [A.500 (XII)], setting out the objectives of the organization for the decade of the 1980s.

135. The budget proposals were approved by the IMO Council and by the fourteenth session of the IMO Assembly. The total approved appropriations and the resulting assessments are shown in the table below, together with the comparable figures for the 1984-1985 appropriation and assessment.

Section	1984-1985	1986-1987	Increase
(United States dollars)			
I Meetings and travel	2 142 200	2 252 800	5.2
II Personnel	4 234 500	18 630 300	30.9
III General Services	7 113 700	8 111 900	14.0
IV Publications and public information	26 200	29 700	13.4
V Other budgetary provisions	925 400	1 034 300	11.8
Total estimated expenditure	24 442 000	30 059 000	23.0
<u>Less</u> Estimated miscellaneous income	1 434 000	2 194 000	53.0
<u>Less</u> Transfer from cash surplus	2 221 721	3 000 000	35.0
<u>Less</u> Transfer from Printing Fund surplus	-	282 000	-
Assesment on members	<u>20 786 279</u>	<u>24 583 000</u>	<u>18.3</u>

136. The increase of 23 per cent in appropriations between 1984-1985 and 1986-1987 is due to the following:

	\$	%
APPROPRIATIONS 1984-1985	24 442 000	
Cost effects	4 507 000	18.4
Volume effects	699 000	2.9
Exchange rate effect	411 000	1.7
APPROPRIATIONS 1986-1987	<u>30 059 000</u>	<u>23.0</u>

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137. As usual, the major element in cost factors is the impact of inflation. This was estimated at 5 per cent per annum on most items of expenditure, although some individual items were expected to vary from this figure. In particular, the outcome of the 1984 General Service salary survey in London conducted by the International Civil Service Commission (ICSC), which resulted in a 16 per cent increase in General Service salaries, led to cost increases of a much higher order than the average in this item of expenditure between the two bienniums. It may be noted that the increase proposed by ICSC related to the fact that interim adjustments in General Service salaries had been based on movements in the Retail Price Index, which in the United Kingdom had lagged behind movements in the Average Earnings Index over the previous five-year period. The new interim adjustment method recommended by the Commission and approved by the IMO Council is based on an average of these two indices in an attempt to avoid such problems in the future.

138. The major element in the 2.9 per cent volume increase relates to the expansion of language services within IMO. By a decision of the IMO governing bodies, Spanish became a full working language of the organization on 1 January 1986 and, in order to cope with this expansion, the complement of the Spanish Translation Section and ancillary services was brought up to the same level as that of the French Translation Section. In addition, some small growth during the second year of the biennium is provided for in the very limited Arabic and Chinese Translation Sections within the organization. About one third of the total cost of this expansion in language services was, however, able to be absorbed through net volume savings made elsewhere in the budget.

139. The final reason for the increase in appropriations between the bienniums is the exchange rate factor. The average of the rates adopted for 1984 and 1985 was \$1.425 and the rate adopted for 1986-1987 was \$1.44. It may be noted that as usual the Assembly has authorized the IMO Council to consider whether any revision is necessary in the exchange rate to be used for the appropriations for the second year of the biennium in the light of exchange developments during the first year of the biennium.

3. Staff

140. The 1986-1987 budget proposals include a provision for 13 additional posts (seven Professional and six General Service) financed under the regular budget. All of these are a consequence of the expansion of language services within the organization. It may be noted that the staff of the IMO Technical Co-operation Division (apart from five General Service programme assistants) and staff from the Administrative Division dealing with technical co-operation work are not financed from the regular budget but from support cost income. In addition, a number of staff on medium-term contracts concerned with publications work are financed from the activities of the Printing Fund.

4. Technical co-operation

141. The Advisory Committee was informed that the first graduates of the World Maritime University, an important technical co-operation activity of IMO, received

their degrees of Master of Science in July 1986. Courses are for two years, at post-graduate level, and taking into account those currently at the University, some 303 students from a total of 80 developing countries have entered WMU. The total budget of the University approved for 1986 amounted to just over \$4.3 million, with costs being met entirely from voluntary funds. The raising of the necessary finance for the University will continue to be a major task.

J. World Intellectual Property Organization

	<u>Swiss francs</u>	<u>US dollars a/</u>
Expenditure budget 1986-1987	98 846 000	47 294 737
Expenditure budget 1984-1985	<u>86 752 000</u>	<u>41 508 134</u>
Increase	12 094 000	5 786 603
	13.9 per cent	

a/ At 2.09 Swiss francs to the United States dollar.

142. The Advisory Committee discussed the programme and budget of WIPO for 1986-1987 with representatives of the Director General of that organization.

143. The competent Governing Bodies of WIPO 11/ have adopted a system of biennial budgets starting in even-numbered years, as is being done by the United Nations and several organizations in the United Nations system. The first biennial budget was for 1980-1981.

144. The budgets of WIPO reflect the fact that this organization is also an amalgam of separate Unions. As a consequence, WIPO budgets are, in effect, of a dual nature. They cover, on the one hand, the budget of the WIPO Conference and the budget of expenses common to the Unions and, on the other, the budgets of the Unions themselves, which are administered by WIPO.

145. The WIPO programme and budget document for 1986-1987 deals separately with the Program Unions and the Registration Unions, because of the fundamental difference between the nature of their activities and the source of their revenues.

146. As far as the Program Unions (Paris, Berne, International Patent Classification (IPC), Nice, Locarno and Vienna Unions) are concerned, the services rendered by the International Bureau (i.e. the secretariat) of WIPO concern primarily the public authorities of the member States. Program activities are financed by contributions from the member States of the Program Unions (and by such States members of WIPO as are not members of any of the Unions) and the member States have complete control over those activities.

147. As far as the Registration Unions (Patent Co-operation Treaty (PCT), Madrid and Hague Unions) are concerned, the services rendered by the International Bureau concern primarily the - mostly private - owners of industrial property rights (patents, trademarks, industrial designs, etc.). Those owners pay fees for the international registration and international patent application services rendered by the International Bureau. The Advisory Committee was informed that the volume of registration activities depends directly on the demand of the users. The budgets of the PCT, Madrid and Hague Unions must therefore always be somewhat tentative.

148. The programme and budget document is presented by programme activities, registration activities, and Governing Bodies, staff and support activities; it shows the expenses, by object of expenditure, connected with each activity. It also details the share of the interested Unions in the financing of expenses common to two or more Unions. Furthermore, the Union for the Protection of New Varieties of Plants (UPOV), which has a separate administration, 12/ contributes in an agreed amount towards common expenses. Additional income is derived from publications revenue, rental of WIPO premises and miscellaneous credits.

1. Program Unions: programme and budget for 1986-1987

149. The following table gives the programme variation and cost variation from 1984-1985 to 1986-1987 for the Program Unions:

	<u>Thousands of Swiss francs</u>	<u>Percentage variation</u>
1984-1985 budget	42 106	-
Program variation (at 1984-1985 cost rates)	305	0.7
Cost variation	4 741	11.3
1986-1987 budget	47 152	12.0

150. As can be seen from the table above, the total expenses in the Program Unions' budget for 1986-1987 amount to 47,152,000 Swiss francs, an increase of 5,046,000 Swiss francs or 12.0 per cent over the budget for 1984-1985.

151. The budget document gives a complete analysis, for each object of expenditure, of the reasons for the programme and cost variations. The cost variation reflects the rate of inflation estimated by the United Nations organizations in Geneva for the years 1986 and 1987. The Advisory Committee was informed that in a deliberate effort of economy cost increases were absorbed in a number of areas (conferences, consultants, printing, rental of premises, maintenance of premises, communications and other general operating expenses, supplies and materials, and acquisition of furniture and equipment).

152. In the draft programme and budget for the 1986-1987 biennium, the programme variation was minus 107,000 Swiss francs, corresponding to minus 0.3 per cent, and the cost variation was 5,129,000 Swiss francs, corresponding to 12.2 per cent. However, the Governing Bodies of WIPO decided to make an additional allocation of 388,000 Swiss francs to item PRG.01 (Development Co-operation with Developing Countries), to be covered by corresponding savings in the cost factor. In addition, a budget of 24,000 Swiss francs was approved for the Vienna Union, a new Program Union whose convention entered into force subsequent to the preparation of the draft programme and budget for the 1986-1987 biennium. These changes resulted in the figures given in paragraph 149 above.

2. Registration Unions: programme and budget for 1986-1987

153. The following table gives the programme variation and cost variation from 1984-1985 to 1986-1987 for the Registration Unions:

	<u>Thousands of Swiss francs</u>	<u>Percentage variation</u>
1984-1985 budget (adjusted)	43 721	-
Programme variation (at 1984-1985 cost rates)	2 608	6.0
Cost variation	4 339	9.9
1986-1987 budget	50 668	15.9

154. As shown above, the total expenses in the Registration Unions' budget for 1986-1987 amount to 50,668,000 Swiss francs, an increase of 6,947,000 Swiss francs, or 15.9 per cent, over the budget for 1984-1985.

155. The programme variation of 6.0 per cent is due to the expected increases in the volume of PCT international applications, international trademark registrations and renewals, and industrial design deposits (see para. 157 below).

156. The budget document gives a complete analysis, for each object of expenditure, of the reasons for the cost variation. The Advisory Committee was informed that in a deliberate effort of economy, cost increases were absorbed in a number of areas (missions, third-party travel, conferences, printing, other contractual services, rental of premises, maintenance of premises, rental and maintenance of equipment and furniture, communications and other general operating expenses, supplies and materials, and acquisition of furniture and equipment).

3. Staff

157. The number of posts approved is 277 for 1986 and 280 for 1987, a net increase of 11.5 over the level of 268.5 approved in the 1984-1985 adjusted budget. The net increase consists of seven and one half new posts which are needed because of the expected 22.4 per cent increase in the number of international applications under the PCT, two new posts to handle the expected 8 per cent increase in the number of international trademark registrations and renewals under the Madrid Agreement, one new post to handle the expected 32.0 per cent increase in the number of international industrial design deposits under the 1960 Act of the Hague Agreement, and one new post of Director, Development Co-operation and External Relations Bureau for Arab Countries.

K. International Fund for Agricultural Development

\$

Budget 1986	29 005 000 a/
Budget 1985	<u>26 605 000 b/</u>
Increase	2 400 000
	9.0 per cent

a/ Based on exchange of 1,700 Lit. to the United States dollar.

b/ Based on exchange of 1,600 Lit. to the United States dollar.

158. The Advisory Committee discussed the programme and budget of IFAD for 1986 with a representative of that organization.

159. The programme of work and budget for 1986 was approved by the Governing Council in December 1985. Since the proposed budget for 1987 will not be considered by the Governing Council until December 1986, the information provided below is limited to the years 1985 and 1986.

160. The 1985 budget, as approved by the Governing Council, amounted to \$26,605,000 including a contingency of \$400,000. The table below compares actual expenditure for 1985 with the allocations for each category of expenditure.

1985 approved budget and actual expenditure
(Thousands of United States dollars)

	<u>Approved budget allocation</u>	<u>Actual expenditure</u>	<u>Savings</u>
Governing Council and Executive Board meetings	1 150	1 109	41
Staff costs	10 265	8 275	1 990
Official travel	1 312	1 069	243
Programme costs -			
New programme development	4 570	3 332	1 238
Implementation of approved projects	5 330	3 813	1 517
Administrative expenses	3 008	2 892	116
Support for United Nations Committees	70	70	-
Meetings for funding of IFAD resources	100	109	(9)
Expenses on new headquarters building	400	-	400
	26 605	20 669	5 936
Contingency	400		400
	26 605		5 936

161. The total saving for the year was \$US 5,936,000 which was made up as follows:

\$

(a) The movement in the value of the US dollar which for the first eight months appreciated well over the budget rate of Lit. 1,600/\$US 1.00 and then in September began a rapid decline, but still averaged Lit. 1,900 for the year	1 536 000
(b) A reduction in the Work Programme, partly due to fewer operations resulting from the resources situation, but also to lower costs per operation than had been provided in the budget	2 755 000
(c) Savings in staff costs due to unfilled positions for part of the year	690 000
(d) Other items (including contingency of \$US 400,000) not used	<u>955 000</u>
Total:	<u><u>5 936 000</u></u>

162. The administrative budget for 1986 was approved in the amount of \$29,005,000. The following table compares the 1985 and 1986 budgets by category of expenditure:

Comparison of 1986 budget with 1985 budget
(Thousands of United States dollars)

	<u>1985 budget</u>	<u>1986 budget</u>	<u>Increase/ decrease</u>
1. Governing Council	351	403	52
2. Executive Board	799	847	48
3. Staff costs	10 265	10 957	692
4. Official travel	1 312	1 384	72
5. Administrative expenses	3 008	3 452	444
6. Support for United Nations committees	70	72	2
7. Programme costs			
New programme development	4 570	3 595	(975)
Implementation of approved projects	5 330	6 100	770
8. Meetings for funding of IFAD resources	100	295	195
9. Expenses on new headquarters building	<u>400</u>	<u>400</u>	<u>-</u>
	<u>26 205</u>	<u>27 505</u>	<u>1 300</u>
10. Contingency	<u>400</u>	<u>1 500</u>	<u>1 100</u>
Total	<u>26 605</u>	<u>29 005</u>	<u>2 400</u>

163. As can be seen from the above table, the 1986 budget, including the contingency, is \$2,400,000 or 9.0 per cent higher than the 1985 budget total. Excluding the contingency, the 1986 total of \$27,505,000 is \$1.3 million more than the 1985 total. This represents an increase of 5 per cent, after providing for the calculation of the 1986 budget on an exchange rate of 1,700 Lit to the United States dollar as compared to the rate of 1,600 Lit to the United States dollar used for the 1985 budget. The representative of IFAD informed the Committee that when that factor is omitted, there is a net reduction of 3 per cent in real terms due to the necessary reduction in the development of new projects as a result of scarcity of resources.

164. As shown in the table following paragraph 162 above, the 1986 estimate for the yearly session of the Governing Council amounts to \$403,000, an increase of \$52,000 over 1985. As in previous years, this covers the salaries, travel and subsistence of interpreters, translators and other temporary support staff. It also provides for communications, security, printing and supplies.

165. The estimate of \$847,000 for the three sessions of the Executive Board provides for expenditures similar to those described for the Governing Council. The provision also covers the travel and subsistence of Executive Directors. As seen above, the 1986 estimate shows an increase of \$48,000 over the 1985 provision.

166. Staff costs for 1986 are estimated at \$10,957,000, or \$692,000 more than the 1985 estimate. This is largely due to the increase of nine posts (four professional and five general service) which had been requested in 1984 but deferred due to the resource situation. With the addition of the new posts, the number of approved posts totals 190 (84 professional and 106 general service).

167. The 1986 estimate of \$1,384,000 for official travel represents an increase of 5 per cent over the 1985 total of \$1,312,000. An increase of \$2,000 has also been provided in 1986 estimate of \$72,000 for "support for United Nations committees". This amount includes contributions to the Development Forum, the Consultative Committee on Administrative Questions, the International Civil Service Commission and the Administrative Committee on Co-ordination (Sub-Committee on Nutrition).

168. The 1986 estimate of \$3,452,000 for Administrative expenses shows an increase of \$444,000 over the 1985 total. This category includes various contracted professional services, office utilities, printing, supplies and computer and word processing expenditures. According to the representative of IFAD, a large part of these expenses is Lira-based and is therefore subject to the effects of inflation and movements in exchange rates. The Advisory Committee was also informed that an increase has been necessary with regard to those professional services which are dollar-based. According to the IFAD representative, the total of \$3,452,000 under administrative expenses is at the absolute minimum level and allows for no improvements or expansion of IFAD's computer and automation activities.

169. The 1986 estimate for programme costs totals \$9,695,000 and covers new programme development (\$3,595,000) and implementation of approved projects (\$6,100,000). Expenditures made under programme costs represent payments to co-operating institutions and consultants for work related to IFAD-initiated projects; special programming missions; supervision of implementation on loans and grants; and monitoring and evaluation missions. Charges by co-operating institutions are based on reimbursement of the additional costs incurred. When IFAD staff are involved in project identification, preparation, appraisal, supervision and monitoring, the related costs, including travel expenses are not included in this budget category but under Staff Costs and Official Travel. The 1986 total (\$9,695,000) is \$205,000 less than the 1985 total of \$9,900,000. As shown in the table above, this is a net decrease comprising a reduction of \$975,000 for new programme development and an increase of \$770,000 for implementation of approved projects.

170. An amount of \$400,000 has been included in the 1986 budget under the heading "expenses on new headquarters building". This amount would cover the start-up costs which would result once IFAD occupies the new headquarters building to be provided by the Government of Italy.

171. As can be seen from the above table, the level of the contingency provision for 1986 totals \$1,500,000, or \$1,100,000 more than the 1985 amount. The Advisory Committee understands that it was necessary to increase the contingency provision at this time when the United States dollar has been steadily declining in value to meet additional expenditures which might arise from movements in the Italian Lira/United States dollar exchange rate below the rate of 1,700 Lit to the United States dollar upon which the budget is based. The Advisory Committee further understands that when the Fund's Second Replenishment has been agreed to, the level of project development activities might need to be increased over the levels set out in the 1986 budget and this may also require a transfer from contingency.

172. In that event, the Executive Board would be requested to approve allocations not exceeding a total of \$900,000 from the contingency to the appropriate budget categories. However, any drawing on the contingency, whether for additional programme support requirements or for exchange differences, would have to be approved by the Board.

L. United Nations Industrial Development Organization

Estimated net regular budget for 1986-1987 \$112 706 804 a/

a/ Prior to 1986 UNIDO was part of the United Nations.

173. The Advisory Committee discussed the UNIDO approved programme and budget for 1986-1987 and related matters with representatives of the Director-General of UNIDO.

1. Background on the conversion of UNIDO to a specialized agency

174. The Lima Declaration and the Plan of Action on Industrial Development and Co-operation adopted by the Second General Conference of UNIDO in March 1975 recommended to the General Assembly of the United Nations that UNIDO should be converted into a specialized agency.

175. The United Nations General Assembly endorsed the Lima Declaration at its seventh special session (resolution 3362 (S-VII) of 19 September 1975) and decided to establish an Intergovernmental Committee of the Whole including States that participated in the Second General Conference, to meet in Vienna to draw up a constitution for the United Nations Industrial Development Organization as a specialized agency, to be submitted to a Conference of Plenipotentiaries to be convened by the Secretary-General in the last quarter of 1976. The Committee was not able to complete its work in time to convene the Conference of Plenipotentiaries in 1976 and the General Assembly (in resolution 31/161 of 21 December 1976) extended the mandate of the Committee and called upon it to accelerate its work so the Conference could be convened in the second half of 1977. At its thirty-second session, the General Assembly, in resolution 32/167 of 19 December 1977, decided to convene a Conference of Plenipotentiaries on the establishment of UNIDO as a specialized agency. This Conference held its first session in 1978 in New York and a second session in Vienna in 1979. On 8 April 1979 the Constitution of UNIDO was adopted by the Conference. In accordance with article 25.1 of the Constitution, the Constitution would enter into force when at least 80 States that had deposited instruments of ratification, acceptance or approval notified the Secretary-General that they had agreed that the Constitution should enter into force. This condition was met following a one-day meeting convened by the Secretary-General in May 1985. The Constitution entered into force on 21 June 1985, and the first General Conference of the new UNIDO was convened at Vienna on 12 August 1985.

2. Action of policy-making organs of the new UNIDO

176. The work of the first session of the General Conference was carried out in two parts: in the first part, the Conference adopted its rules of procedure, elected members to the Industrial Development Board and to the Programme and Budget Committee, and adopted the recommendation of the Industrial Development Board on the appointment of a Director-General of UNIDO.

177. In the second part of its first session, acting on recommendations of the Industrial Development Board and its Programme and Budget Committee, the General Conference - established a scale of assessments of member States for 1986, 1987 and 1988, based on the one most recently adopted by the General Assembly as at 1 January 1986. The General Conference also:

(a) Approved a Programme of work for UNIDO together with the related regular and operational budgets for 1986-1987;

(b) Approved the terms and conditions of the appointment of the Director-General;

(c) Decided to establish a Working Capital Fund for 1986-1987 in the amount of \$9 million, of which \$6 million would be paid in 1986 and a further \$3 million in 1987 if the situation so required, in the opinion of the Director-General, as approved by the Industrial Development Board on the recommendation of the Programme and Budget Committee;

(d) Decided to appoint the senior president of the Audit Office of Belgium as the External Auditor for UNIDO for a period of two years beginning 1 July 1986;

(e) Authorized the Director-General to enter into appropriate arrangements with the Secretary-General of the United Nations and the Administrator of UNDP in respect of transfer of assets;

(f) Requested the Director-General to conclude an agreement with the Director-General of ILO recognizing the jurisdiction of the Administrative Tribunal of the ILO for complaints alleging non-observance of terms of appointment or of staff regulations or rules;

(g) Requested the Director-General to conclude an agreement with the Secretary-General of the United Nations extending the jurisdiction of the United Nations Administrative Tribunal to UNIDO with respect to applications alleging non-observance of the regulations of the United Nations Joint Staff Pension Fund;

(h) Accepted the regulations of the United Nations Joint Staff Pension Fund, requested the Director-General to apply for membership for UNIDO from 1 January 1986, and to establish a UNIDO Staff Pension Committee;

(i) Approved the relationship agreement with the United Nations;

(j) Authorized the Director-General to conclude an agreement with UNDP;

(k) Issued guidelines for relations of UNIDO with inter-governmental, non-governmental and other organizations.

With these decisions by the General Conference, UNIDO was established as a specialized agency in the United Nations Common System on 1 January 1986.

178. At part two of its first session the Industrial Development Board, inter alia, also decided:

(a) To accept on behalf of UNIDO the Statute of the Joint Inspection Unit, effective 1 January 1986;

(b) To accept the Statute of the International Civil Service Commission for UNIDO effective 1 January 1986;

(c) To recommend for consideration and recommendation by the Economic and Social Council a proposed text of an annex to the Convention on the privileges and immunities of the Specialized Agencies relating to UNIDO.

179. In accordance with article 26 of the Constitution, the rules and regulations governing the organization established by United Nations General Assembly resolution 2152 (XXI) shall govern the organization and its organs until such time as the latter may adopt new provisions. Therefore, pending approval by the General Conference of Financial Regulations and Staff Regulations for UNIDO, those regulations of the United Nations will apply to UNIDO.

3. Implementation of decisions of UNIDO policy-making organs

180. Subsequently, a number of actions have been taken as requested by the Industrial Development Board and the General Conference:

(a) On 6 March 1986 the Governing Body of ILO approved the recognition of the Tribunal's jurisdiction for UNIDO as from 1 January 1986;

(b) On 7 February 1986, the Secretary-General of the United Nations signed the agreement between the United Nations and UNIDO concerning the jurisdiction of the United Nations Administrative Tribunal in respect of UNJSPF cases brought by UNIDO staff;

(c) On 18 December 1985, the General Assembly adopted by consensus a resolution in which, under section IV, it decided that UNIDO should be admitted to membership in the Joint Staff Pension Fund with effect from 1 January 1986;

(d) The agreement between the United Nations and UNIDO was approved by the General Assembly of the United Nations in its resolution 40/180 adopted on 17 December 1985;

(e) The Director-General on 6 November 1985 informed the Secretary-General of the United Nations and the Executive Secretary of the Joint Inspection Unit of UNIDO's acceptance of the Statute of the JIU effective 1 January 1986;

(f) The Director-General, on 25 November 1985, informed the Secretary-General of the United Nations and the Chairman of the International Civil Service Commission of the acceptance by UNIDO of the Statute of ICSC effective 1 January 1986.

181. In paragraph 4 of its resolution 34/96 of 13 December 1979 on the transitional arrangements relating to the establishment of UNIDO as a specialized agency, the General Assembly of the United Nations urged that all members of the staff of the United Nations assigned to the existing UNIDO should be offered appointments by the new agency that preserve their acquired rights and contractual status. The General Conference of UNIDO, at its first session, invited the Director-General to take due account of this paragraph. Accordingly, in November 1985 the Director-General and the Secretary-General signed an agreement on the transfer, secondment and loan of staff; this agreement effectively preserved the acquired rights and contractual status of UNIDO staff. By the end of the year, staff at all levels had been offered and accepted appointments with UNIDO. Special provisions were made for conference staff, since the establishment of a common conference service for all Vienna-based organizations is under study.

182. The 1986-1987 programme (gross) budget of \$154,752,547 was adopted by the General Conference at its first session. The table below, shows by programme the total resources approved for 1986-1987:

	<u>\$</u>
Policy-making organs	2 612 294
Executive direction	1 848 990
Policy co-ordination	14 803 988
Industrial studies	15 071 239
Industrial operations	34 263 789
Conference services	17 674 544
Administration (including VIC common services)	47 041 059
	<hr/> 133 315 903
Staff assessment	21 436 644
	<hr/> 154 752 547 <hr/>

In addition to the regular budget, the General Conference of UNIDO adopted estimates totalling \$23,492,700 for the UNIDO operational budget. The operational budget is financed from voluntary contributions and such other income as may be provided for in the financial regulations.

4. Budgetary process of UNIDO

183. The budgetary process for UNIDO is set forth in articles 13 and 14 of the UNIDO Constitution. Article 13 deals with the composition of budgets and distinguishes between the "regular budget" which covers expenditures to be met from assessed contributions and the "operational budget" which covers expenditures to be met from voluntary contributions. The regular budget is intended to provide expenditures for administration, research and other regular expenses; in addition it may be used to finance activities previously carried out under the "Regular Programme" for Technical Assistance, section 24 of the United Nations budget - in the amount of 6 per cent of the total budget. The operational budget shall provide for expenditures for technical assistance and other related activities.

184. Decisions on proposals involving expenditure cannot be taken by the General Conference without prior consideration of such proposals by the Industrial Development Board and the Programme Budget Committee; moreover, if the proposal has not been included in the budget estimates, approval by the General Conference requires a majority of two thirds of all members of UNIDO.

185. The UNIDO budget process requires that the programme of work and the regular and operational budgets be considered together. The Director-General submits his proposals for the programme of work and related budget estimates to the Industrial Development Board through the Programme and Budget Committee. The Committee reviews the proposals and submits its recommendations to the Board; a majority of two thirds of members present and voting is required. The Board then reviews the proposals of the Director-General in the light of the recommendations of the Committee and adopts a programme of work with the related regular and operational budgets for submissions to the General Conference; this adoption requires a majority of two thirds of members present and voting.

186. The General Conference then considers the work programme and budgets as submitted by the Industrial Development Board rather than by the Director-General. Adoption requires a majority of two thirds of members present and voting. If the General Conference wishes to make amendments in the work programme or budgets, it must refer the proposed amendments to the IDB and PBC and decide only after receiving the recommendations of those bodies. Approval of amendments by the Conference would require a majority of two thirds of all members of UNIDO. The Industrial Development Board is composed of 53 members, the Programme and Budget Committee has 27. Distribution of seats is in accordance with the provisions of article 9 (for the IDB) and article 10 (for the Programme and Budget Committee).

187. The Advisory Committee was informed by representatives of the Director-General that it is too early to tell how this budget process actually works, because the whole process was distorted by the severe time constraints of having to complete the conversion between the beginning of August and the end of December. Normally, a meeting of the IDB to consider the programme of work and related budgets would be held two to three months after the Programme and Budget Committee, and the General Conference would convene five to six months later, thus giving ample time for a thorough review of the relevant documents prior to the meetings. Budget preparation by the secretariat would also be done over a period of about six months

so that the Director-General's proposals could be circulated to member States about two months before the meeting of the Programme and Budget Committee. During this entire period continuing consultations with member States are foreseen.

188. For the 1986-1987 budget, the Director-General had to circulate the proposals within a few weeks of assuming office. The Programme and Budget Committee met from 30 September to 11 October 1985, followed almost immediately by the IDB, which held part two of its first session from 4 to 15 November 1985. This was followed by part two of the first session of the General Conference, from 9 to 13 December 1985. Under such circumstances, the budget review process was far from ideal. Nevertheless, through consultations with member States the Director-General succeeded in obtaining approval by the General Conference of the work programme and budget estimates for 1986-1987 - although at levels of resources considerably below those contained in the original proposals submitted to the Committee.

189. In reviewing the consideration of the work programme and related budgets for 1986-1987 two particular problem areas emerge: measures to offset the adverse effects of currency fluctuations and the establishment of a Working Capital Fund.

190. With respect to currency fluctuations, UNIDO has made the assumption that member States do not wish currency fluctuations to result in a significant increase or decrease in resources available to carry out approved programmes. In the discussions in UNIDO policy-making organs - most recently during the May 1986 meeting of the Programme and Budget Committee - member States have generally agreed with that assumption. Thus, foreign exchange risks are essentially borne by member States. They do so by approving a budget which includes provision to offset exchange fluctuations, by approving supplementary estimates to increase resources if necessary, by authorizing the use of the Working Capital Fund to offset adverse exchange movements, or by paying their contributions in those currencies required by the Organization. On the other hand, should currency fluctuations result in a balance remaining of any appropriation at the end of the 12-month period provided in the financial regulations, the balance would be surrendered within 30 days to all member States in proportion to the assessed contributions. However, before its respective share of the balance is surrendered to any member State that has outstanding financial obligations to the organization, those obligations shall be brought to account.

191. For its first budget, UNIDO necessarily followed the practices of the United Nations. The budget was, therefore, stated in United States dollars and member States are assessed in United States dollars. Member States have expressed interest in the application by UNIDO of a system along the lines of the one adopted by the IAEA (see sect. M below). The Advisory Committee was informed that a decision on this will be adopted by the General Conference at its second regular session at the time of approval of the 1988-1989 budget, on the basis of reports to be submitted to the IDB and Programme and Budget Committee analysing the experience of IAEA and other United Nations system organizations. UNIDO is making an analysis of its own pattern of expenditures to identify the proportion of dollar and non-dollar expenditures.

192. The budget estimates submitted by the Programme and Budget Committee and IDB were based on the exchange rate of AS. 21.30 to the United States dollar. At the time of approval of the budget by the General Conference, the budget was re-valued, using an exchange rate of AS. 17.70 per dollar (the United Nations operational rate of exchange for December 1985). This was in accordance with United Nations practice, except that the conversion was applied to only 90 per cent of the budget on the assumption that at least 10 per cent of UNIDO's expenditures are in dollars.

193. The Committee was informed that UNIDO has extremely limited possibilities for obtaining approval for supplementary or revised budgetary estimates in the middle of the biennium, since regular sessions of the General Conference are held only every two years. The Committee was further informed that UNIDO cannot therefore use the annual performance report on the budget as a vehicle to seek changes in the budget to offset effects of exchange fluctuations.

194. The representative of the Director-General indicated to the Committee that, in the absence of other possibilities, UNIDO must rely on its Working Capital Fund to offset the adverse effects of currency fluctuations. Some member States have expressed their reluctance to continue to use the Working Capital Fund for this purpose, but they recognized the need to do so during 1986-1987. The question of how best to cope with currency fluctuations with a minimum effect on programmes will be considered by policy-making organs of UNIDO in the context of review and approval of the programme of work and budget estimates for 1988-1989.

195. The appropriate level of the working Capital Fund of UNIDO for 1986-1987 is still under review. As already mentioned, the General Conference decided that the level could be as much as \$9 million, with an initial level of \$6 million for 1986 and a further \$3 million in 1987 if considered necessary by the Director-General, the Programme and Budget Committee and the IDB. The Programme and Budget Committee considered this question in May 1986 and decided to defer any decision until October, when it will resume its second session during the session of IDB.

M. International Atomic Energy Agency

	US \$	US \$
Approved budget 1986	98 680 000 <u>a/</u>	
Approved budget 1987	103 899 000 <u>a/</u>	
		205 579 000
Approved budget 1984	89 380 000 <u>a/</u>	
Approved budget 1985	95 025 000 <u>a/</u>	
		<u>184 405 000</u>
	Increase	18 174 000
		9.9 per cent

a/ Based on an exchange rate of 19.50 Austrian schillings to the United States dollar.

196. The Advisory Committee discussed the budget of IAEA for 1987 and related matters with representatives of the Director-General of the Agency.

197. In accordance with the IAEA Statute budget estimates are submitted annually by the Board of Governors for approval by the General Conference. The annual estimates are presented within a two-year programme cycle. Thus, the 1987 estimates are presented within the Agency's programme and budget for 1987 and 1988. They are initially prepared by the Director-General and reviewed by the Administrative and Budgetary Committee of the Board.

198. The representatives of IAEA informed the Advisory Committee that for several years the regular budget expenditure estimates had been prepared on the basis of zero-growth. For 1987 the original estimates were submitted to the Administrative and Budgetary Committee in May 1986. They showed zero growth in resources, plus price increases to cover inflation. Following the Chernobyl accident the Board of Governors decided that a Supplemental Nuclear Safety Programme (SNSP) should be established and recommended an additional amount of \$2,030,000 for that purpose. The Board of Governors also approved the addition of \$167,000 for research contracts in the area of nuclear applications which is of particular interest to developing countries. These amounts have been incorporated in the document which is being submitted to the General Conference for approval in September/October 1986.

Regular budget, technical co-operation funds, extrabudgetary resources

199. A breakdown of the regular budget for 1987 as compared with the budget for 1986 is provided in the table below. To facilitate comparison, both budgets have been costed at an exchange rate of 19.50 Austrian schillings to the United States dollar.

<u>Programme area</u>	<u>1986 budget</u>	<u>1987 estimates</u>	<u>Total increase/ (decrease)</u>	<u>Per cent</u>
1. Nuclear power and the fuel cycle	7 888 000	8 764 000	876 000	11.1
2. Nuclear applications	14 751 000	15 504 000	753 000	5.1
3. Nuclear safety and radiation protection	5 001 000	6 465 000	1 464 000	29.3
4. Safeguards	33 341 000	34 362 000	1 021 000	3.1
5. Direction and support area	<u>33 995 000</u>	<u>35 379 000</u>	<u>1 384 000</u>	<u>4.1</u>
Total agency programmes	94 976 000	100 474 000	5 498 000	5.8
Services provided to others	<u>3 704 000</u>	<u>3 425 000</u>	<u>(279 000)</u>	<u>(7.5)</u>
Total regular budget	<u>98 680 000</u>	<u>103 899 000</u>	<u>5 219 000</u>	<u>5.3*</u>
To be funded as follows:				
- Miscellaneous income:				
Income from work for others	3 704 000	3 425 000	(279 000)	(7.5)
Other	4 406 000	4 565 000	159 000	3.6
- Assessment on Member States	<u>90 570 000</u>	<u>95 909 000</u>	<u>5 339 000</u>	<u>5.9</u>
Total	<u>98 680 000</u>	<u>103 899 000</u>	<u>5 219 000</u>	<u>5.3*</u>

* Of the total increase of 5.3 per cent, 3.5 per cent represents price increases, and 1.7 per cent volume increase at 1986 prices.

200. A summary of posts by grade and department is contained in the following table:

Number of established posts

<u>Grade of post</u>	<u>1985 adjusted</u>	<u>1986 adjusted</u>	<u>1987 a/</u>	<u>Change 1986-1987 a/</u>
DG	1	1	1	-
DDG	5	5	5	-
D	29	30	30	-
P-5	152	161	162	1
P-4	243	251	251	-
P-3	195	197	204	7
P-2	57	57	57	-
P-1	19	19	17	(2)
Subtotal	701	721	727	6
GS	810	836	871	35 c/
Manual and operative	75	73	73	-
TOTAL	1 586	1 630	1 671	41

						Manual and Opera- tive
			P	GS		
Departments:						
Office of the Director-General	14	14	14	-	-	
Department of Technical Co-operation	90	98	107	-	9	-
Department of Nuclear Energy and Safety a/	175	177	182	-	5	-
Department of Research and Isotopes	261	266	271	2	3	-
Department of Safeguards	435	455	471	6	10	-
Department of Administration	264	270	272	-	2	-
Shared Support Services b/ (Agency posts)	347	350	354	(2)	6	-
TOTAL	1 586	1 630	1 671	6	35	-

(Footnotes on following page)

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(Footnotes to table)

a/ Does not include additional manpower for the SNSP.

b/ Includes all services at VIC operated by IAEA and cost-shared with other organizations, i.e. Data Processing, Printing, Library and Medical Services.

c/ Includes the regularization of 27 temporary assistance positions for which a long-term need has been proven. No budgetary impact.

201. For 1987, the Agency estimates its share of the operating costs of the VIC, which is operated by UNIDO, at \$5,723,000 as follows:

	<u>United States dollars</u>
Utilities	1 734 000
Contractual maintenance services	815 000
Cleaning	762 700
Building and maintenance staff	1 160 000
Security services staff costs	802 000
Building and maintenance supplies	306 800
Building, property and maintenance equipment	90 500
Sinking Fund, major repairs	52 000
	<hr/>
Total	5 723 000
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The above total represents an increase of 4.0 per cent over the 1986 total.

202. It is also estimated that \$3,425,000 will be received in 1987, as income in respect of the support services operated by the Agency and cost-shared with other organizations, i.e. data processing, printing, library and medical services. The amount is shown as part of the Agency's miscellaneous income. It represents a significant sudden drop in utilization of an existing service capacity.

203. The provision of technical assistance by the Agency to its member States is financed from the Technical Assistance and Co-operation Fund. The Fund derives its income mainly in the form of voluntary contributions for which a target is set each year in accordance with the indicative planning figure recommended by the Board of Governors and approved by the General Conference. For 1987, the recommended target is \$34 million or 13.3 per cent over the approved 1986 target.

204. The Agency's extrabudgetary resources in 1987 are estimated at \$62,096,000 as follows:

	<u>United States dollars</u>
Funds from other United Nations organizations <u>a/</u>	3 289 000
Technical co-operation resources <u>b/</u>	42 500 000
Other extrabudgetary resources	16 307 000
	<hr/>
Total	62 096 000
	<hr/> <hr/>

a/ Funds from FAO, UNEP, UNESCO, etc.

b/ Technical co-operation resources include the Technical Co-operation Fund and funds from UNDP and other extrabudgetary sources which are foreseen for actual implementation in 1987.

205. The representatives of IAEA informed the Advisory Committee of several developments with regard to the preparation and format of the budget.

206. For statutory reasons the Agency operates on a one-year budget within a two-year programme cycle. For the first time the budget estimates for the second year, 1988, have been prepared in the same degree of detail as those for 1987, with a view to facilitating the budget review and approval process by member States.

207. The budget format approved during the past budget cycle has been further refined. It focuses on Part I which describes the programme according to subject-matter and is primarily intended for the governing bodies. In addition, Part I now provides an outline of the longer-term plan. In Part II, which is addressed mainly to programme managers, the financial tables have been condensed to make room for more detailed action plans. This is consistent with a new approach which emphasizes the programme to be delivered to member States and the results to be obtained.

208. Furthermore, estimates by groups of expenditure items have been replaced by estimates of "main means" used to obtain planned objectives. These "main means" are then expressed in broad categories corresponding to the basic activities of the Agency, as "meetings", "publications", "standards and regulations", "data base", "research and development", "technical co-operation support and advisory services" and "inspecting". They comprise all related costs including manpower and support services. The objective is to provide programme managers with a meaningful indication of their expenditures in relation to their programme objectives.

209. As regards the question of currency fluctuations, the General Conference has decided that a portion of IAEA's appropriations be based on a fixed amount in Austrian schillings and the remainder in US dollars. This is intended to secure the purchasing power the Agency requires for implementing the approved programme. Actual expenditures are recorded at the rate applicable during the respective month.

210. Assessments on member States follow the same principle. While the amounts appropriated and assessed in United States dollars and Austrian schillings remain fixed, their total expressed in United States dollars depends on the applicable United Nations rate of exchange.

Notes

1/ General Assembly resolution 14 (I) of 13 February 1946 provides, inter alia, that one of the functions of the Advisory Committee is "to examine on behalf of the General Assembly the administrative budgets of the specialized agencies and proposals for financial arrangements with such agencies".

2/ See paras. 67 to 72 of chap. I of ACABQ first report on the proposed programme budget for the biennium 1986-1987 (Official Records of the General Assembly, Fortieth Session, Supplement No. 7 (A/40/7)) and General Assembly resolution 40/252, sect. XII.

Notes (continued)

3/ See report of the Secretary-General (A/C.5/40/11 and Corr. 1), related report of the ACABQ (A/40/7/Add.4) and General Assembly resolution 40/252, sect. II.

4/ See report of the Secretary-General (A/C.5/39/39) and related report of the ACABQ (A/39/7/Add.12). Four of the five additional AVD circuits approved are operational (New York-Bangkok, New York-Nairobi, New York-Santiago, New York-Vienna). However, the New York-Addis Ababa circuit is not expected to become operational till the end of 1986.

5/ JIU report on changing use of computers in organizations of the United Nations system at Geneva: management issues (A/40/410, para. 183).

6/ "The ICC has an important communications role to play as a 'gateway' facility for the organizations it serves. In 1983 ICC began operating a single, 'tele-informatique' infrastructure which is intended to provide all types of communication and allow its users to communicate with, and transmit information to, organizations and users anywhere in the world. Under the generic name, 'CALL/ICC', the services currently available include electronic mail, data entry, access to the international telex network and network data bases, text processing, and bibliographic and retrieval functions." (See JIU report A/40/410, para. 79.)

7/ See recommendation 8 of JIU report (A/40/410) as well as related comments of the Executive Heads of organizations concerned (A/40/410/Add.1).

8/ The amounts of the approved regular budgets shown in these tables may vary from those indicated in previous reports by the Advisory Committee. Such variations are attributable to differences in presentation, including the use of different exchange rates.

9/ Swiss franc expenditure is approximately 1.5 per cent of total expenditure under Parts I-V of the budget.

10/ At at 31 December 1985, the Reserve Fund totalled 3,828,187.32 Swiss francs. As provided in UPU's Financial Regulations, the Reserve Fund is intended to mitigate insufficiencies in the Union's Treasury. However, the Executive Council may also authorize payments from the Fund either to balance the budget, or to reduce the level of the contributions of member States.

11/ The Governing Bodies of WIPO and the Unions administered by WIPO are the WIPO General Assembly, the WIPO Conference, the WIPO Co-ordination Committee, the Assemblies of the Paris, Berne, Madrid, Hague, Nice, Lisbon, Locarno, IPC, PCT, TRT, Budapest and Vienna Unions, the Conferences of Representatives of the Paris, Berne, Hague and Nice Unions, the Executive Committees of the Paris and Berne Unions, the Madrid Union Committee of Directors and the Lisbon Union Council.

12/ The Director General of WIPO is also the Secretary-General of UPOV. The other Unions of WIPO are all administered jointly by the International Bureau of WIPO.

Notes (continued)

13/ In adopting the programme and budget for the 1984-1985 biennium, the Governing Bodies had decided to reduce the provisions for cost increases in the Program Unions, in order to increase the funding of programmes of interest to developing countries. A corresponding reduction in the provisions for cost increases in the Registration Unions was also made, which resulted in a reduction of 442,000 francs in the 1984-1985 budget of the Registration Unions.
