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

ADMINISTRATIVE BUDGETS OF THE AGENCIES

Thirteenth report of the Advisory Committee on
Administrative and Budgetary Questions to the
General Assembly at its twenty-second session

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INTRODUCTION

1. In accordance with its terms of reference, the Advisory Committee on Administrative and Budgetary Questions has examined the administrative budgets or budget estimates for 1968 of the following specialized agencies, whose agreements with the United Nations provide for transmittal of their budgets for review by the General Assembly: International Labour Organisation (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), International Civil Aviation Organization (ICAO), Universal Postal Union (UPU), World Health Organization (WHO), International Telecommunication Union (ITU), World Meteorological Organization (WMO) and Inter-Governmental Maritime Consultative Organization (IMCO). The Committee has also examined the administrative budget for 1968 of the International Atomic Energy Agency (IAEA), which has been transmitted in accordance with article XVI, paragraph 3, of the relationship agreement between the agency and the United Nations. The review has not covered the budgets of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF), whose agreements with the United Nations do not provide for the transmittal of their budgets for examination by the General Assembly.

2. The Advisory Committee would like to extend its thanks to the executive heads of the agencies who came in person or sent their representatives in connexion with the consideration by the Committee of the administrative budgets of the agencies. Their assistance has been of great value in according the Committee a better insight into the problems facing the agencies concerned.

3. The Advisory Committee's analysis of and comments on the administrative budgets of the agencies listed in paragraph 1 are given in sections I and II of the present report. The Committee's comments on general co-ordination matters are to be found in a separate report (A/6910) in keeping with the view expressed by the Committee in paragraph 7 of its fourteenth report to the General Assembly at the twenty-first session, that the submission of separate reports on general co-ordination matters and on administrative budgets might facilitate examination of these questions by the member States.^{1/}

^{1/} Official Records of the General Assembly, Twenty-first Session, Annexes,
agenda item 79, document A/6522.

4. Section I of the present report contains six comparative tables showing:
- (1) The levels of the budgets of the various agencies for 1968 and the corresponding figures for the five previous years;
 - (2) The number of established posts for 1966, 1967 and 1968;
 - (3) The budgetary provisions for special projects and activities for the same three years;
 - (4) The working capital funds in 1968;
 - (5) The 1968 scales of assessment for the United Nations and the specialized agencies;
 - (6) The collection of contributions at 30 June and 30 September 1966 and 1967.
5. Section II consists of ten chapters summarizing the 1968 budgets of the individual agencies, together with the Advisory Committee's comments on specific points which arose during the examination of those budgets.
6. The General Assembly will presumably wish, as in previous years, to refer to the organizations concerned the observations of the Advisory Committee on their administrative budgets and the records of the discussion thereon in the Assembly. It may also wish to request the Secretary-General to refer to the executive heads, through the consultative machinery of the Administrative Committee on Co-ordination (ACC), any matters arising out of the report or the related discussion in the Fifth Committee which call for their attention.

I. ADMINISTRATIVE BUDGETS OF THE AGENCIES

A. General budgetary trends

7. The gross totals of the budgets or budget estimates covering the regular activities of the United Nations family of organizations will amount to approximately \$333.5 million in 1968, as compared with \$307 million in 1967. In addition Member Governments are urged to contribute to a number of voluntary programmes - the United Nations Development Programme (UNDP), the United Nations Capital Development Fund, the United Nations Children's Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the World Food Programme and the United Nations Institute for Training and Research (UNITAR), and also to several trust funds and special accounts.

8. The sum total of the 1968 budgets for regular activities is 8.52 per cent higher than the comparable figure for 1967, as against an 11.60 per cent increase in 1967 over 1966.

B. Comparative tables

(a) Amount of estimates or approved budgets

9. The gross totals of the 1968 budgets or budget estimates of the specialized agencies, the IAEA and the United Nations, together with the appropriations for 1967 and the actual expenditure figures for 1963, 1964, 1965 and 1966, are given in the following table:

Table 1
Amount of estimates or approved budgets

	1963		1964		1965		1966		1967		1968		1968		1968			
	US dollars	Actual expenses	US dollars	Actual expenses	US dollars	Actual expenses	US dollars	Actual expenses	US dollars	Actual expenses	US dollars	Actual expenses	US dollars	Actual expenses	US dollars	Actual expenses	Percentage increase or decrease by comparison with 1967	Percentage increase or decrease by comparison with 1966
ILO	14,515,982	16,977,156	21,455,204	23,523,902	26,523,125	29,081,480	5,577,577	23.63	2,558,355	9.65								
FAO	16,776,263	18,040,712	23,618,387	27,779,243	29,637,239	34,034,100	6,254,857	22.52	4,396,861	14.84								
UNESCO	19,723,056	21,281,588	27,212,828	28,577,407	33,644,288	34,524,014	5,946,607	20.81	879,726	2.61								
ICAO	5,843,433	6,120,023	6,398,120	7,537,852	7,125,221	7,096,317	(441,535)	(5.86)	(28,904)	(0.41)								
UPU	784,349	1,157,080	1,133,918	1,308,093	1,594,815	1,643,958	335,865	25.68	49,143	3.08								
WHO	29,783,550	33,869,165	42,054,226	48,204,153	58,097,380	62,616,128	14,411,975	29.90	4,518,748	7.78								
ITU	4,103,032	4,095,012	5,649,716	7,015,409	6,882,083	7,301,550	286,141	4.08	419,467	6.10								
WMO	867,528	1,078,434	1,501,266	1,978,496	3,083,350	2,884,443	905,947	45.79	(198,907)	(6.45)								
IMCO	447,522	477,011	918,362	827,282	820,766	966,421	139,139	16.82	145,655	17.75								
IAEA	6,823,613	7,287,172	8,792,517	9,970,804	10,613,000	11,674,000	1,703,196	17.08	1,061,000	10.00								
Sub-total (specialized agencies and IAEA)	99,738,809	110,383,360	138,734,544	156,722,642	178,021,267	191,822,411	35,099,769	22.40	13,801,144	7.75								
United Nations	22,195,880	102,948,977	107,111,392	118,607,969	129,236,930	141,619,300	23,011,321	19.40	12,382,370	9.58								
GRAND TOTAL	121,934,689	213,332,337	245,845,936	275,330,611	307,258,197	333,441,711	58,111,100	21.11	26,183,514	8.52								

NOTE: 1. The following rates of exchange have been used in the above table: Canadian dollars at par; Swiss francs 4.32 = \$101.00.
 2. Staff assessment has been included for years 1965-1968, except in the case of UPU and IMCO, where it is neither applied nor computed.

a/ Excluding staff assessment and \$483,525 spent in that year but met under supplementary credits by withdrawal from the working capital fund, subject to reimbursement through the 1965 budget.

b/ Excluding staff assessment and \$364,064 spent in that year but met under supplementary credits by withdrawal from the working capital fund, subject to reimbursement through the 1966 budget.

c/ Excluding \$540,067 spent in that year but met under supplementary credits by withdrawal from the working capital fund, subject to reimbursement through the 1968 budget.

d/ Including staff assessment: \$757,789 in 1963; \$794,794 in 1964.

e/ Excluding undistributed reserves: 1963, \$2,149,570; 1964, \$2,223,130; 1965, \$2,521,370; 1966, \$2,615,590; 1967, \$3,448,040; 1968, \$3,742,580.

f/ Includes contributions to the malaria eradication special account in the amount of \$4,000,000 in 1963 and \$5,363,000 in 1964.

g/ Including an amount of \$25,154 for 1965, \$271,997 for 1966 and \$1,142,849 for 1967 as a new development fund, established by the WMO Congress, for the implementation of a World Weather Watch, in response to resolutions 1721 (XVI) and 1802 (XVII) of the General Assembly of the United Nations.

h/ Including supplementary appropriation of \$240,104 plus related staff assessment of \$5,200.

i/ Initial estimates.

10. The 1968 total for the nine specialized agencies and IAEA amounts to almost \$192 million, which is nearly \$14 million, or 7.75 per cent, above the 1967 appropriations in the amount of \$178 million. An indication of the main factors responsible for the increases (or decreases) in the 1968 budgets of individual agencies, as compared with 1967, are given in section II of the present report.

11. As regards the United Nations, the initial estimates for 1968, at approximately \$141.5 million, are some \$12 million, or 9.58 per cent, above the 1967 appropriations of approximately \$129 million. The Advisory Committee's comments thereon are contained in its first report to the General Assembly at its current session.^{2/}

12. A comparison between the 1968 total for the United Nations and the agencies and actual expenses in 1966 indicates an increase of 21.11 per cent. The increase for the agencies alone amounts to 22.40 per cent.

(b) Established posts

13. The number of established posts authorized or requested under the regular budgets for the three years 1966, 1967 and 1968 is given below:

^{2/} Ibid., Twenty-second Session, Supplement No. 7 (A/6707 and Corr.1-3).

Table 2

<u>Organization</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>Increase</u> <u>1966-1968</u>		<u>Increase</u> <u>1967-1968</u>	
				<u>Number</u>	<u>Per cent</u>	<u>Number</u>	<u>Per cent</u>
ILO	1,153	1,188	1,224 ^{a/}	71	6.16	36	3.03
FAO	2,171	2,211	2,404	233	10.73	193	8.73
UNESCO ^{b/}	1,518	1,651	1,666	148	9.75	15	.91
ICAO	557	562	562	5	.90	-	-
UPU	75	79	94	19	25.33	15	18.99
WHO	2,608	2,785	2,880	272 ^{c/}	10.43	95	3.41
ITU	406	422	433	27	6.65	11	2.61
WMO	127	131	166	39	30.71	35	26.72
IMCO	72	72	84	12	16.67	12	16.67
IAEA	712	729	784	72	10.11	55	7.54
Sub-total agencies	9,399	9,830	10,297	898	9.55	467	4.75
United Nations ^{d/}	7,090	7,580	8,105	1,015	14.32	525	6.93

a/ In addition to these 1,224 established posts, there are 19 manual worker posts, 110 posts in branch offices and offices of full-time national correspondents (35 of which are equivalent to professional category and above), and 4 reserve posts for officials seconded to other organizations (133 posts in all). If these additional posts are taken into account, the net increase in the number of posts approved for 1968 as compared with 1967 becomes 34.

b/ Excluding building maintenance posts.

c/ Includes manual worker and local posts.

d/ Includes manual worker and local posts. The 1968 figure reflects the Secretary-General's initial estimates for the year.

(c) Special projects and activities

14. The provisions in the several budgets or budget estimates for special projects and activities are as follows:

Table 3

	<u>1966</u>	<u>1967</u>	<u>1968</u>
	\$	\$	\$
ILO	2,321,600 ^{a/}	2,095,450	2,234,550
FAO	1,482,800	436,827	1,609,500
UNESCO	7,248,908	8,677,948	8,998,763
ICAO	640,277	45,000	45,000
UPU	111,065	273,264	219,375
WHO	6,315,549	7,224,150	8,004,121
ITU	655,346	449,490	596,412
WMO	743,685	1,293,255	746,680
IMCO	-	-	-
IAEA	2,320,000	2,497,000	2,655,500

^{a/} The 1966 figure is not fully comparable with the figures for 1967 and 1968, since the latter have been calculated on a new basis following a change in budgetary presentation introduced in the 1967 budget.

(d) Working capital funds

15. In paragraphs 27-42 of its report on general co-ordination matters (A/6910), the Advisory Committee has reviewed the position with regard to the working capital funds of the United Nations family of organizations. The amounts approved or proposed for the working capital funds in relation to the 1968 budget estimates and, where appropriate, the estimates or appropriations for the financial periods together with percentages, are shown in the following table:

Table 4

(1) Agency	(2) 1968 Gross budget estimates \$	(3) Gross estimates or appropriations for financial period a/ \$	(4) Working capital fund \$	(5) Percentage of column (4) to column (2)	(6) Percentage of column (4) to column (3)
ILO . .	29,081,480	-	5,298,000 ^{b/}	18.22	-
FAO . .	34,034,100	67,532,250	4,500,000	13.22	6.66
UNESCO	34,524,014	68,168,302	3,800,000	11.00	5.57
ICAO . .	7,096,317	21,787,188	800,000 ^{c/}	11.27	3.67
UPU . .	1,643,958	-	d/	-	-
WHO . .	62,616,128	-	8,008,000	12.79	-
ITU . .	7,301,550	-	d/	-	-
WMO . .	2,884,443	11,817,000 ^{e/}	471,740	16.35	4.00
IMCO . .	966,421	2,102,241	150,000	15.52	7.14
IAEA . .	11,674,000	-	2,000,000	17.13	-
UN . .	141,619,300 ^{f/}	-	40,000,000	28.24	-

a/ FAO 1968-1969; UNESCO 1967-1968; ICAO 1966-1968; WMO 1968-1971; IMCO 1968-1969.

b/ Nominal level at which the fund would stand if all amounts payable into it by member States were paid, and if the amounts withdrawn temporarily from the fund were fully restored to it. Estimated cash level of the fund on 1 January 1968 will be \$3,616,000 (12.43 per cent of the gross budget estimates for that year).

c/ The present level of the fund is \$806,800, the extra \$6,800 representing the equities of States that have been assessed since the fifteenth session of the Assembly held in 1965.

d/ In the case of UPU, the working expenses of the International Bureau are advanced by the Swiss Government. Such advances must be repaid at the earliest possible date and any sums outstanding on 31 December of the year of account carry interest as from that date at 5 per cent per annum. In ITU, the annual contributions for the budget are payable in advance and any sums outstanding on 1 January of the year of account carry interest as from that date at 3 per cent for the first six months and 6 per cent thereafter.

e/ The Executive Committee of WMO has been authorized (i) to incur additional expenditures not exceeding a further total amount of \$100,000, which may be agreed by members, and (ii) to exceed the maximum expenditure in respect of increases in staff salaries and allowances as effected by the United Nations where these increases cannot be met by economies.

f/ Initial estimates.

(e) Scales of assessment

16. The following table shows the scales of assessment for the United Nations and the agencies for 1968:

Table 5

Members ^a	United Nations/ (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPIF/ (per cent)	WHO/ (per cent)	IYU (per cent)	WMO (per cent)	IMC/S/ (per cent)	IARA (per cent)
Afghanistan	0.04	0.11	0.06	0.05	0.13	0.32	0.05	0.10	0.09	-	0.05
Albania	0.04	-	-	0.04	-	0.32	0.04	0.10	0.09	-	0.04
Algeria	0.10	0.12	0.13	0.09	0.21	0.11	0.09	0.60	0.09	0.24	0.09
Argentina	0.23	1.36	1.18	0.86	0.94	2.66	0.82	3.00	1.31	0.87	0.83
Australia	1.52	1.83	2.03	1.48	2.09	2.66	1.41	3.60	1.74	0.61	1.42
Austria	0.57	0.35	0.68	0.50	0.54	0.33	0.47	0.20	0.32	-	0.48
Barbados	0.04	0.11	0.04	-	0.13	-	0.04	0.10	0.09	-	-
Belgium	1.10	1.35	1.48	1.08	1.39	1.59	1.02	1.00	1.22	1.67	1.03
Bolivia	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.60	0.26	-	0.04
Botswana	0.04	-	0.04	-	-	-	-	-	-	-	-
Brazil	0.89	1.32	1.22	0.89	1.45	2.66	0.85	1.00	1.31	0.87	0.85
Bulgaria	0.18	0.19	0.22	0.16	-	0.33	0.15	0.20	0.35	0.44	0.15
Burma	0.06	0.11	0.08	0.05	0.13	0.32	0.05	0.20	0.26	0.24	0.05
Burundi	0.04	0.11	0.04	0.04	-	0.11	0.04	0.10	0.09	-	-
Byelorussian Soviet Socialist Republic	0.51	0.45	-	0.49	-	0.53	0.46	0.20	0.52	-	0.47
Cambodia	0.04	-	0.04	0.04	0.13	0.11	0.04	0.20	0.09	0.24	0.04
Cameroon	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	0.24	0.04
Canada	3.02	3.36	4.07	2.97	4.01	2.66	2.82	3.60	2.62	1.53	2.85
Central African Republic	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Ceylon	0.06	0.12	0.10	0.07	0.13	0.53	0.07	0.20	0.26	-	0.07
Chad	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Chile	0.23	0.33	0.35	0.25	0.30	0.53	0.24	0.60	0.43	-	0.24
China	4.00	2.56	-	2.50	0.67	2.66	3.79	3.00	3.75	0.87	3.82
Colombia	0.20	0.35	0.30	0.21	0.37	0.53	0.20	0.60	0.35	-	0.21
Congo (Brazzaville)	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Congo (Democratic Republic of)	0.05	0.11	0.06	0.05	0.13	0.32	0.05	0.20	0.35	-	0.05
Costa Rica	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.10	0.09	-	0.04
Cuba	0.19	0.29	0.26	0.19	0.21	0.32	0.18	0.20	0.26	0.36	0.18
Cyprus	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Czechoslovakia	0.92	0.92	-	1.04	1.09	1.59	0.99	0.60	0.96	0.28	1.00
Dahomey	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Denmark	0.62	0.70	0.80	0.58	0.75	1.05	0.55	1.00	0.70	1.63	0.56

Table 5 (continued)

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UFP ^{c/} (per cent)	WHO ^{d/} (per cent)	IIR (per cent)	MMO (per cent)	IMCO ^{e/} (per cent)	IAPA (per cent)
Dominican Republic . . .	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.60	0.09	0.24	0.04
Ecuador	0.04	0.11	0.06	0.05	0.13	0.32	0.05	0.20	0.09	0.24	0.05
El Salvador	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.60	0.09	-	0.04
Ethiopia	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.17	-	0.04
Finland	0.49	0.30	0.55	0.40	0.47	1.05	0.38	0.60	0.52	0.75	0.39
France	6.00	6.07	7.82	5.71	7.05	2.66	5.42	6.00	4.54	3.06	5.48
French Overseas Territories	-	-	-	-	-	0.32	-	0.20	0.27 ^{f/}	-	-
Gabon	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Gambia	0.04	-	0.04	-	-	-	-	-	-	-	-
Germany (Federal Republic of)	-	4.46	9.51	6.95	7.28	2.66	6.60	4.00	4.63	3.31	6.67
Ghana	0.08	0.12	0.10	0.07	0.13	0.32	0.07	0.20	0.17	0.31	0.07
Greece	0.29	0.21	0.32	0.23	0.30	0.53	0.22	0.20	0.26	3.75	0.22
Guatemala	0.05	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.09	-	0.04
Ghana	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.10	0.09	-	-
Guyana	0.04	0.11	0.04	-	0.13	0.11	0.04	0.10	0.09	-	-
Haiti	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.09	0.24	0.04
Holy See	-	-	-	-	-	0.11	-	0.10	-	-	0.04
Honduras	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.10	0.09	0.28	-
Hungary	0.52	0.42	0.72	0.52	-	1.05	0.50	0.20	0.52	-	0.50
Iceland	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	0.31	0.04
India	1.74	2.87	2.37	1.73	2.06	2.66	1.65	2.60	2.27	1.12	1.67
Indonesia	0.34	0.43	0.50	0.36	0.37	1.59	0.35	0.20	0.70	0.53	0.35
Iran	0.22	0.27	0.26	0.19	0.21	0.53	0.18	0.20	0.26	0.24	0.18
Iraq	0.07	0.12	0.10	0.07	0.13	0.11	0.07	0.20	0.09	-	0.07
Ireland	0.17	0.23	0.21	0.15	0.26	1.05	0.14	0.60	0.26	0.32	-
Israel	0.20	0.12	0.22	0.16	0.41	0.32	0.15	0.20	0.26	0.52	0.15
Italy	3.24	2.35	3.26	2.38	3.20	2.66	2.26	2.00	2.27	3.35	2.29
Ivory Coast	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.20	0.09	0.24	0.04
Jamaica	0.05	0.11	0.06	0.05	0.13	0.11	0.05	0.20	0.09	-	0.05
Japan	3.78	2.00	3.55	2.60	3.08	2.66	2.47	4.00	2.27	7.69	2.49
Jordan	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Kenya	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Korea (Republic of)	-	-	0.17	0.12	0.13	1.05	0.12	0.20	0.17	0.34	0.12
Kuwait	0.07	0.11	0.08	0.05	0.13	0.11	0.05	0.20	0.09	0.31	0.05
Laos	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-

Table 5 (continued)

Members ^a	United Nations/ (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU ^c / (per cent)	WHO ^d / (per cent)	ILO (per cent)	WHO (per cent)	IMCO ^e / (per cent)	IAEA (per cent)
Lebanon	0.05	0.11	0.06	0.05	0.20	0.11	0.05	0.10	0.09	0.61	0.05
Lesotho	0.04	0.11	0.04	-	-	0.11	-	0.10	-	-	-
Liberia	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.20	-	10.32	0.04
Libya	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Liechtenstein	-	-	-	-	-	0.11	-	0.10	-	-	-
Luxembourg	0.05	0.11	0.06	0.05	0.13	0.32	0.05	0.10	0.09	-	0.05
Madagascar	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.09	0.24	0.04
Malawi	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Malaysia	0.11	0.19	0.15	0.11	0.16	0.32	0.11	0.60	0.35	-	-
Maldives Islands	0.04	-	-	-	-	0.11	0.04	0.10	-	-	-
Mali	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Malta	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	-	0.24	-
Mauritania	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	0.24	-
Mauritius	-	-	-	-	-	-	0.02	-	0.09	-	-
Mexico	0.87	0.76	1.04	0.76	1.00	1.59	0.72	1.00	0.87	0.40	0.73
Morocco	0.04	-	-	0.04	-	0.11	0.04	0.10	-	-	0.04
Mongolia	0.04	-	-	0.04	-	0.11	0.04	0.10	0.09	-	-
Morocco	0.10	0.14	0.14	0.10	0.13	1.05	0.10	0.20	0.17	0.28	0.10
Nepal	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.10	0.09	-	-
Netherlands	1.16	1.13	1.42	1.04	2.04	1.59	0.99	1.60	1.05	2.68	1.00
Netherlands Antilles and Surinam	-	-	-	-	-	0.32	-	-	0.18	-	-
New Zealand	0.36	0.47	0.49	0.35	0.40	2.66	0.34	1.00	0.52	0.37	0.34
Nicaragua	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.09	-	0.04
Niger	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Nigeria	0.14	0.21	0.22	0.16	0.20	0.53	0.15	0.40	0.26	0.28	0.15
Norway	0.43	0.51	0.56	0.41	0.60	1.05	0.39	1.00	0.61	8.28	0.40
Pakistan	0.37	0.57	0.47	0.35	0.45	2.66	0.33	0.60	0.52	0.46	0.33
Panama	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.10	-	2.47	0.04
Paraguay	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.09	-	0.04
Peru	0.10	0.13	0.12	0.08	0.13	0.53	0.08	0.40	0.35	-	0.08
Philippines	0.34	0.37	0.45	0.33	0.30	0.11	0.31	0.20	0.52	0.54	0.31
Poland	1.47	1.24	1.86	1.36	1.43	1.59	1.29	0.60	1.22	0.79	1.31
Portugal	0.16	0.24	0.19	0.14	0.24	1.05	0.13	0.60	0.43	-	0.13
Portuguese East Africa	-	-	-	-	-	1.05	-	0.60	0.17	-	-
Portuguese West Africa	-	-	-	-	-	1.05	-	-	0.09	-	-

Table 5 (continued)

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPF ^{c/} (per cent)	WHO ^{d/} (per cent)	ITU (per cent)	WMO (per cent)	IMCO ^{e/} (per cent)	IAEA (per cent)
Qatar	-	-	-	-	-	-	0.02	-	-	-	-
Rhodesia	-	-	-	-	-	-	0.02	0.20	0.17	-	-
Romania	0.36	0.43	0.45	0.33	0.37	1.59	0.31	0.20	0.43	0.32	0.31
Rwanda	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
San Marino	-	-	-	-	-	0.11	-	-	-	-	-
Saudi Arabia	0.05	-	0.09	0.06	0.13	0.11	0.06	0.20	0.09	-	0.06
Senegal	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.09	0.24	0.04
Sierra Leone	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	0.04
Singapore	0.05	0.11	-	0.04	0.13	0.11	0.04	0.20	0.09	0.24	0.04
Somalia	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.20	0.09	-	-
South Africa	0.52	-	-	-	0.64	2.66	0.46	1.60	0.87	-	0.47
Spain	0.92	1.04	0.94	0.68	0.89	2.66	0.65	0.60	0.96	1.34	0.66
Spanish Provinces in Africa	-	-	-	-	-	0.11	-	0.20	0.09 ^{g/}	-	-
Sudan	0.05	0.11	0.08	0.05	0.13	0.11	0.05	0.20	0.17	-	0.05
Sweden	1.25	1.58	1.62	1.18	1.40	1.59	1.12	2.00	1.39	2.40	1.13
Switzerland	-	1.24	1.13	0.82	1.33	1.59	0.78	2.00	1.13	0.33	0.79
Syria	0.04	0.11	0.06	0.05	0.13	0.11	0.05	0.20	0.17	0.24	0.05
Thailand	0.13	0.20	0.18	0.13	0.18	0.32	0.12	0.40	0.35	-	0.13
Togo	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Trinidad and Tobago	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.20	0.09	0.24	-
Tunisia	0.04	0.11	0.06	0.05	0.13	0.53	0.05	0.40	0.09	0.24	0.05
Turkey	0.35	0.54	0.45	0.33	0.34	1.59	0.31	0.40	0.52	0.56	0.31
Uganda	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Ukrainian Soviet Socialist Republic	1.93	1.18	-	1.85	-	1.59	1.75	0.60	1.66	-	1.77
Union of Soviet Socialist Republics	14.61	10.00	-	14.00	-	2.66	13.29	6.00	10.65	5.87	13.43
United Arab Republic	0.20	0.35	0.30	0.21	0.33	1.59	0.20	1.00	0.52	0.36	0.21
United Kingdom of Great Britain and Northern Ireland	6.62	9.14	9.25	6.76	8.78	2.66	6.42	6.00	6.02	11.02	6.49
United Kingdom Overseas Territories	-	-	-	-	-	0.53	-	0.20	0.18 ^{h/}	-	-
United Republic of Tanzania	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
United States of America	31.57	25.00	31.91	29.94	31.28	2.66	31.20	6.00	23.93	11.39	31.86
United States Overseas Territories	-	-	-	-	-	1.59	-	5.00	-	-	-

Table 5 (continued)

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO (per cent)	UNESCO (per cent)	ICAO (per cent)	UPI ^{c/} (per cent)	WHO ^{d/} (per cent)	ITU (per cent)	WMO (per cent)	IMCO ^{e/} (per cent)	IARA (per cent)
Upper Volta	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.10	0.09	-	-
Uruguay	0.09	0.15	0.13	0.09	0.13	0.32	0.09	0.20	0.35	-	0.09
Venezuela	0.45	0.50	0.04	0.47	0.57	0.32	0.45	0.60	0.52	-	0.45
Viet-Nam (Republic of)	-	0.12	0.10	0.07	0.13	0.32	0.07	0.20	0.26	-	0.07
Western Samoa	-	-	-	-	-	-	0.04	-	-	-	-
Yemen	0.04	0.11	0.04	0.04	0.13	0.11	0.04	0.20	-	-	-
Yugoslavia	0.40	0.40	0.46	0.34	0.34	1.59	0.32	0.20	0.52	0.77	0.32
Zambia	0.04	0.11	0.04	0.04	0.13	0.32	0.04	0.20	0.17	-	-

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

b/ Recommended by the Committee on Contributions, Official Records of the General Assembly, Twenty-second Session, Supplement No. 10 (A/6710), para. 36.

c/ Provisional scale of contributions for 1968, payable in 1969.

d/ In accordance with resolution WHA 8.5 of the eighth World Health Assembly, the WHO scale of assessments for 1968 is based on the latest United Nations scale of assessment available to the Twentieth World Health Assembly, that for 1967.

e/ 1967 scale. The scale for 1968 will depend upon the membership on 1 January 1968; it is estimated that the 1968 assessments of members paying more than the basic budget assessment will be approximately 20 per cent higher than in 1967.

f/ French Polynesia 0.09, French Somaliland 0.09, New Caledonia 0.09.

g/ Spanish Territories of Guinea.

h/ Hong Kong 0.09, Caribbean Territories 0.09.

(f) Collection of contributions

17. The following table shows, in respect of 1966 and 1967, the percentage of contributions to the regular budget collected at 30 June and 30 September, together with the total of contributions outstanding at the latter date:

Table 6

	<u>Percentage of current year's contributions collected at</u>				<u>Total of all contributions outstanding at 30 September</u>	
	<u>30 June</u>		<u>30 September</u>		<u>(regardless of year of account)</u>	
	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>	<u>1966</u>	<u>1967</u>
					(US dollars)	(US dollars)
ILO	52.54	53.07	78.81	71.77	6,388,376	9,101,824
FAO	44.23	45.82	68.10	78.12	7,647,570	5,795,207
UNESCO	67.57 ^{a/}	16.78 ^{b/}	85.19 ^{a/}	32.03 ^{b/}	7,143,223 ^{a/}	41,951,229
ICAO	52.23	50.00	72.83	78.00	2,005,418	1,757,994
UPU	54.41	54.25	61.43	68.30	475,917	438,979
WHO	35.77	40.46	78.23	82.72	10,176,437	9,519,866
ITU	75.96	87.43	80.12	92.15	915,463 ^{c/}	1,213,620 ^{c/}
WMO	51.96	56.27	73.34	74.33	666,985	661,159
IMCO	72.38	73.08	76.58	78.14	317,798	294,728
IAEA	33.09	36.96	68.78	69.10	3,258,989	3,377,944
United Nations	26.20	29.12	55.51	53.21	54,612,427	67,098,656

^{a/} Figures relate to biennium 1965-1966.

^{b/} Figures relate to biennium 1967-1968.

^{c/} Figures include interest charged on overdue payments not yet settled.

II. DETAILED COMMENTS ON THE 1968 BUDGETS OF THE AGENCIES

A. International Labour Organisation

	<u>1967</u> <u>Appro-</u> <u>priations</u> ^{a/}	<u>1968</u> <u>Appro-</u> <u>priations</u>
	\$	\$
Personnel services	19,295,096	20,732,389
General services	4,261,979	4,334,762
Special projects and activities	2,095,450	2,234,550
Other budgetary provisions	<u>870,600</u>	<u>1,779,779</u>
Total (gross)	26,523,125	29,081,480
<u>Less:</u> Income from staff assessment (estimated)	3,206,125	3,400,000
Other revenue ^{b/}	<u>844,602</u>	<u>845,389</u>
Total (net)	<u>22,472,398</u>	<u>24,836,091</u>

a/ Excluding supplementary authorizations. These may be financed up to the amount of \$208,945 by withdrawals from the working capital fund, to the extent that savings are not available within part I of the budget and after exhaustion of the budgetary credit for unforeseen expenditure.

b/ Consists of estimated receipts from the UNDP/TA special account.

18. The Advisory Committee had the benefit of discussing the 1968 budget of the ILO and related matters with the Director-General of the International Labour Organisation and his representative.

Summary analysis of the budget

19. The gross expenditure budget for 1968, as adopted by the International Labour Conference in June 1967, exceeds the original gross appropriations for 1967 by \$2,558,355, or 9.65 per cent. This increase may be broken down as follows:

	\$	Per cent
Personnel services	1,437,293	7.45
General services	72,783	1.71
Special projects and activities	139,100	6.64
Other budgetary provisions	<u>909,179</u>	<u>104.43</u> ^{a/}
Total increase (gross)	<u>2,558,355</u>	<u>9.65</u>

a/ See paragraph 36 below.

/...

20. The Advisory Committee noted that the estimates for 1968, as originally submitted by the Director-General to the Financial and Administrative Committee of ILO's Governing Body, exceeded the figure as finally adopted by an amount of \$418,287 net.

21. Calculated on a net basis, the 1968 budget amounts to \$24,836,091, which represents an increase of \$2,363,693, or 10.5 per cent, over the net budget approved for 1967 in the amount of \$22,472,398. The net increase can be apportioned as follows:

	\$	Per cent
Increases in prices and costs	1,127,574	5.02
Net increase in programmes and activities	541,857	2.41
Other increases	<u>694,262</u>	<u>3.09^{a/}</u>
Total	<u>2,363,693</u>	<u>10.52</u>

a/ See paragraph 36 below.

22. The ILO programme and budget for 1968 follows the general lines of the form of presentation introduced last year,^{3/} which is designed to give a picture of the programmes to be implemented and to show allocations of staff time and dollar resources to them. The proposals for programmes of work are the product of the internal programme planning and control machinery set up in 1965 as part of the reorganization of the International Labour Office. Evaluation procedures and the planning of field activities will be incorporated into the system at a later date. Procedures for progress reporting and for making necessary changes in plans during the implementation of programmes were introduced during the planning cycle in which the 1968 proposals were formulated.

23. The Advisory Committee understands that preliminary information regarding the 1969 programme had been submitted to the Governing Body in the spring of 1967, and that at its November 1967 session the Governing Body would resume consideration of the question of a biennial budget cycle.

3/ Ibid., Twenty-first Session, Annexes, agenda item 79, document A/6522, paras. 64-66.

24. In terms of programme priorities emphasis in 1968 will continue to be placed on training, including vocational training (which remains the largest single technical programme) and management training. Other major sectors include employment creation, incomes, and the building up of viable institutions in different sectors of society; industrialization and rural development are emphasized in several programme areas.

Regional and area offices

25. The Advisory Committee noted that the largest increase in programmes and activities occurs in the management of field programmes (\$335,299), which reflects the emphasis being placed on greater decentralization of ILO activities. The Committee was informed that this process has involved an increase in the level of staff and other resources required for offices away from headquarters, together with a slight increase in resources at Geneva required to handle the growing volume of communications with the field. The total increase in expenditure for the field services as a whole will amount to \$450,000, or 10.5 per cent, as compared with 1967.

26. Field programmes are managed by the Field Department of ILO, which comprises the Technical Co-operation Branch at headquarters, four regional branches (for Africa, the Americas, Asia and the Middle East) and a smaller section for Europe. Three of the regional branches are already headed by regional co-ordinators stationed in their respective regions. The Committee understands that the existing network of ILO external offices is gradually being replaced. The new system in each region will consist of a regional office, headed by the regional co-ordinator, and of area offices (each responsible for a smaller geographical area than previously covered by the ILO field offices), to be supplemented at a later date, if sufficient resources are available, by the appointment of ILO country representatives. Since 1 March 1967, ILO advisers and technical experts in the field have been reporting to the regional co-ordinator instead of to headquarters as in the past. Plans are being developed for the transfer of more technical staff from headquarters to the field units. The Committee has been informed that the ILO is seeking, in its decentralization plans, to make maximum use of the offices of UNDP Resident Representatives and, wherever possible, to locate ILO offices in common United

Nations premises in order to avoid duplication of facilities; the Committee welcomes this approach. It is estimated that the resources which will be available in 1968 for technical co-operation activities from the ILO regular programme, UNDP and trust funds and other special programmes will amount to approximately \$20 million. The 1968 budget provides, under "General Management", for the appointment of a Deputy Director-General to take charge of the Field Department.^{4/}

Personnel services

27. As has been stated in paragraph 19 above, the increase relating to personnel services amounts to \$1,437,293 gross. The ILO budget apportions staff costs by programme sector. These costs are estimated on the basis of standard factors, which were first used in the programme and budget for 1967 in order to simplify the costing of individual programmes, eliminate chance differences in costs due to the level of the salaries and allowances of the officials assigned to individual programmes, and facilitate the charging of expenditures to programmes on the basis of the staff-time made available to them. As the Advisory Committee indicated in its fourteenth report to the General Assembly at the twenty-first session,^{5/} the professional standard cost factors are calculated on the basis of the salary levels for grades P.1 to D.1 inclusive, and the general service factors exclude salary levels paid to local general service and assimilated staff in the field. The standard cost factors include post-adjustments, dependency allowances, pensions and insurance contributions, education grants, various kinds of travel expenses, installation, removal, terminal and repatriation grants and allowances. The factors used in the 1968 budget are \$15,960 per professional man-year and \$6,528 per general service man-year (as against \$15,180 and \$6,000 respectively in 1967). Overtime, the costs of experts,^{6/} and the salaries and related costs of officials in grade D.2 and above and of local staff in field offices are not included in the calculation of standard cost factors.

^{4/} The ILO establishment provides for three Deputy Directors-General, but one of these posts has been vacant; there are also five posts of Assistant Director-General.

^{5/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 79, document A/6522, paras. 61-62.

^{6/} The ILO has approximately 800 experts in the field.

28. The Advisory Committee inquired into the degree of accuracy of estimates based on standard cost factors. The Committee was informed that, as regards 1966, actual expenditure for professional staff was slightly more than 3 per cent above the corresponding standard-cost figure. The difference between actual and standard costs in 1966 for the general service category was negligible. Present indications are that expenditure for professional staff in 1967 may be approximately 2 per cent higher than the estimated standard cost, and expenditure for general service staff may prove to be 2.5 per cent below the standard-cost figure.

29. In addition to the increased cost of continuing into 1968 the 1967 establishment (which is a reflection of the higher standard cost factors), the increase in staff costs in 1968 as compared with 1967 is also attributable to the increase in staff resources provided for the implementation of the 1968 programme. These resources, including posts in branch offices and offices of full-time national correspondents, amount to approximately 743 professional man-years and 890 general service man-years, as against 730 and 853 respectively in 1967. The man-year totals include both established posts (on the basis of one post = one man-year) and additional staff resources. In the opinion of the ILO, the use of man-years and man-months has simplified the establishment of programme and budget proposals and for the management of resources.

30. The number of established posts in the professional and general service categories approved for 1968 amounts to 1,224 (627 professional and 597 general service); in addition, there are 19 manual worker posts, 110 posts in branch offices and offices of full-time national correspondents (of which 35 are equivalent to professional category and above), and 4 reserve posts for officials seconded to other organizations. Taking into account the deletion of one career trainee post, and the regrading into the professional category of three posts from equivalent professional posts in branch offices, the over-all net increase in the number of posts approved for 1968 as compared with 1967 is 34 (22 professional and 12 general service). Of the new professional posts nine are at headquarters and thirteen in the field; all the twelve new general service posts are at headquarters.

31. In its fourteenth report to the General Assembly at the twenty-first session,^{7/} the Advisory Committee indicated that it had been informed that the Director-General, prior to submitting his 1968 budget estimates, planned to review the credits provided for temporary assistance and the number of posts charged to those funds with a view to converting some of them to the permanent establishment, and that he estimated that at least fifty new posts would be required in 1968 for that and other purposes. While appreciating the validity of the arguments advanced by the Director-General, the Advisory Committee expressed the hope that his preliminary assessment of new permanent staff requirements would prove to be over-pessimistic. The Advisory Committee notes with appreciation that the Director-General has been able to keep down to thirty-four the increase in permanent posts including the conversions referred to above.

32. The regradings of posts approved for 1968 are: (a) a total of 28 upgradings and two downgradings of headquarters posts to reflect permanent changes in the level of responsibilities; (b) in the field a net total of 6 upgradings, 3 regradings of special into ordinary posts and 3 regradings of branch office (local) posts into international posts; these changes have been made in connexion with the reorganization of the field offices described in paragraph 26 above; (c) the downgrading of three general service posts which are no longer occupied by incumbents of that grade.

33. In its fourteenth report to the General Assembly at the latter's twenty-first session, the Advisory Committee indicated that provision for a staff lapse factor (shown as a reduction of estimated total expenditure under the ordinary budget and not of estimates relating to individual programmes) was included for the first time in the 1967 budget.^{8/} The Committee noted that the staff lapse factor, at \$235,381, amounted to 1.84 per cent of total staff resources and expressed the feeling that a higher percentage should have been applied. The Committee has been informed that, as a result of greater mobility of staff, improved recruitment procedures and the widening gap between actual staffing needs and the resources made available,

^{7/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 79, document A/6522, paras. 69-70.

^{8/} Ibid., para. 63.

savings on staff costs have tended to diminish over recent years, and that, on the basis of experience to date in 1967, it appears possible that the savings actually achieved in 1967 may not attain the estimated level. The 1968 lapse factor amounts to \$260,597, or approximately 1.45 per cent of total allocations for staff costs (excluding technical co-operation experts), net of staff assessment.

Other increases

34. The increase in general services reflects higher printing costs (up to 8 per cent for some kinds of printing) and higher prices of supplies and services. The provision for the rental and maintenance of premises, at \$808,390, represents an increase of \$77,880 or 10.66 per cent over the 1967 appropriation of \$730,510. The Advisory Committee understands in this connexion that the construction of the new headquarters building will probably begin towards the end of 1968 or early in 1969. The provision for supplies and materials amounts to \$409,325 (down \$16,717 or 3.92 per cent from the 1967 figure of \$426,042).

35. The provision for electronic data processing (including staff costs) amounts to \$216,296 as against \$203,200 in 1967, representing an increase of \$13,096.

36. The Advisory Committee noted that nearly two-thirds of the increase under "other budgetary provisions" is accounted for by two items: the repayment to the working capital fund of a sum of \$540,067 expended in 1966 in connexion with the professional category salary increases; and a provision in the amount of \$46,880 for participation in the United Nations joint Inspection Unit.

B. Food and Agriculture Organization of the United Nations

	<u>1967</u> <u>Appro-</u> <u>priations</u> a/	<u>1968</u> <u>Esti-</u> <u>mates</u> b/
	\$	\$
Personnel services	23,924,504	25,235,225
General services	4,870,150	6,606,775
Special projects and activities	436,827 ^{c/}	1,609,500 ^{c/}
Other budgetary provisions	<u>405,758</u>	<u>582,600</u>
Total (gross)	29,637,239 ^{d/}	34,034,100
<u>Less:</u> Income from staff assessment	3,670,000	3,770,000
Other revenue	<u>1,944,945^{e/}</u>	<u>2,454,945^{e/}</u>
Total (net)	<u><u>24,022,294</u></u>	<u><u>27,809,155</u></u>

a/ The budget has been voted for the two-year period 1966/67; the appropriations shown here represent the balance after deduction of the 1966 actual expenditure (\$24,431,761, net of staff assessment).

b/ Represents the 1968 part of the Director-General's proposed 1968/69 budget and shows an increase of approximately 16.5 per cent over 1967, compared with the increase of 18.8 per cent for the 1968/69 biennium over the biennium 1966/67.

c/ Includes for both years joint FAO/IBRD co-operative programme; World Food Congress preparation in 1967 and provision in 1968; and, for 1968 only, indicative world plan, and co-operation with area banks.

d/ Includes 1967 part of amount withdrawn from Working Capital Fund, as approved by the Council at its forty-seventh session, for Headquarters accommodation and the review of the Organization's general structure.

e/ Includes lump-sum allocation of \$1,944,945 per annum from UNDP/TA special account and \$510,000 for miscellaneous income in 1968.

37. The Advisory Committee had an opportunity to discuss the 1968 budget of FAO with an Assistant Director-General and other representatives of that organization.

Summary analysis of 1968 budget

38. The estimates for 1968 form part of the Director-General's budget for 1968-69, which amounts to \$59,861,000, net of staff assessment (estimated at \$7,671,250), for the biennium as a whole. This figure represents an increase of \$9,462,000, or 18.8 per cent, over the adjusted appropriations for 1966-67 which total \$50,399,000.^{9/}

39. The total estimated increase of \$9,462,000 includes increases relating to the higher cost of continuing into 1968-69 the 1966-67 establishment and programme level (increases in salaries and common staff costs, price increases, increases in cost of contractual services) which amount to \$3,462,450 (or 6.9 per cent of the adjusted appropriations for 1966-67), and increases due to programme expansion in the amount of \$5,999,550 (11.9 per cent). The latter figure, in its turn, can be sub-divided into the cost of programme expansion proper (\$4,274,500) and consequential increases (\$1,725,050) necessitated by programme expansion, such as higher costs of administrative and other supporting common services, public relations, publications, etc.^{10/}

Programme expansion

40. In its fourteenth report to the General Assembly at the twenty-first session (A/6522, paras. 78-79), the Advisory Committee described the arrangements made by the Director-General of FAO to finance the indicative world plan and certain other high-priority programmes through a savings plan at the general level of 4.5 per cent

^{9/} Including an amount of \$425,000 withdrawn from the working capital fund by decision of the FAO Council for additional accommodation at FAO headquarters (\$300,000) and to finance the initial expenses relating to the review of the general structure of FAO, referred to in the Advisory Committee's fourteenth report to the General Assembly at its twenty-first session (A/6522, para. 83). The report on the review is due for submission to the fourteenth session of the FAO Conference in November 1967; the review is estimated to cost \$155,000 (i.e. \$30,000 in excess of the \$125,000 already withdrawn for this purpose from the working capital fund).

^{10/} In the FAO budget personnel and general expenses are apportioned among the various user chapters.

of the biennial budgetary appropriations for most of the divisions and departments. The Committee had been informed that requirements to carry out the indicative world plan in 1966-67 had been estimated at a minimum of \$1,850,000. The estimate for the plan in 1968-69 amounts to \$1,175,000 (this represents 27 per cent of the total cost of programme expansion). The Advisory Committee has been informed that nearly \$300,000 will be utilized in January-April 1968, and that expenditure during the remaining twenty months of the biennium will be cut back to approximately \$40,000 a month. During this latter period, only revision and follow-up activities will have to be carried out.

41. Other estimated increases for programme expansion include \$607,300 for the Fisheries Department, \$506,150 for the new programme of co-operation with area banks, \$283,000 for the FAO magazine, \$279,500 for the second World Food Congress, \$150,000 for the Codex Alimentarius, \$574,350 for the various activities of the Technical Department, \$405,900 for the Economic Department, and others.

42. The Advisory Committee has been informed that the programme of co-operation with area banks is being set up to utilize the potential for development inherent in the recent establishment of the African and Asian development banks.^{11/} The estimate for the FAO/IBRD Co-operative Programme is being increased to \$621,000; the programme, whose costs are shared between IBRD and FAO on a 3:1 basis, will thus amount to a total of \$2.5 million.

Other increases

43. The budget estimates for 1968-69 include provision of \$120,000 for FAO's share in the costs of the United Nations Inspection Unit; the World Food Programme estimates for 1968 include \$10,000 for the same purpose.

44. The Advisory Committee understands that the Director-General has invited tenders for the rental of computer equipment. Provision of \$215,000 has been made in the estimates for the biennium for this purpose.

^{11/} An agreement between the FAO and the Inter-American Development Bank has been in force since 1965 and is being renegotiated.

Personnel

45. The budget estimates for 1968-69 provide for various increases in the number of staff. Under the regular programme the Director-General of FAO has requested 68 new posts in the professional category and above and 132 new general service posts (53 non-local and 79 local), or a total of 200. Of this total all the 38 new posts relating to the Indicative World Plan (16 professional and 22 general service) are fixed-term. The total number of posts under the regular programme as of 1 January 1968 (including seven to be implemented on 1 January 1969) will amount to 849 professional and above and 1,562 general service, giving a grand total of 2,411.

46. Posts financed under arrangements with UNDP (Special Fund) as of 1 January 1967, amounted to 379 (135 professional and above and 244 general service). Posts relating to the agency costs of the World Food Programme, the Freedom from Hunger Campaign trust funds,^{12/} the joint FAO/IBRD programme and area banks, and other trust funds, as of 1 January 1967, amounted to 213 (72 professional and above and 141 general service). An increase of nine professional and one general service posts is expected in 1968 under the programmes of co-operation with the IBRD and area banks.

47. The total establishment of FAO under all the programmes in 1968 will therefore amount to 3,006^{13/} (1,062 professional and above and 1,944 general service).

Headquarters accommodation

48. FAO continues to encounter a serious shortage of accommodation, despite the redesigning of the three upper floors of the headquarters building at a cost of \$300,000.^{14/} The FAO's Department of Fisheries is now housed in two and a half

^{12/} The special budget chapter for the Freedom from Hunger Campaign has been eliminated and the provisions relating to it have been absorbed in the relevant divisional estimates and in the newly established chapter IIC.

^{13/} Seven additional posts (3 professional and 4 general service) will be provided in 1969.

^{14/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 79, document A/6522, para. 82.

floors and the World Food Programme in three and a half floors of rented premises outside the headquarters compound, and some small units occupy a further forty-eight rented offices. The Advisory Committee has been informed that provision of additional space will have to be made in 1968-69, at a cost of approximately \$250,000 and that the FAO Council has renewed its appeal to the Italian Government to release as early as possible the building now occupied by the Ministry of Posts and Telecommunications (now scheduled for release in 1973) and, in the meantime, to assist in the provision of accommodation.

C. United Nations Educational, Scientific and Cultural Organization^{15/}

	<u>1967</u> <u>Appro-</u> <u>priation</u> \$	<u>1968</u> <u>Appro-</u> <u>priation</u> \$
Personnel services	17,116,323	17,589,451
General services	7,850,017	7,935,800
Special projects and activities	8,677,948	8,998,763
Other budgetary provisions	-	-
Total (gross)	<u>33,644,288</u>	<u>34,524,014</u>
Less: Income from staff assessment	3,289,114	3,373,048
Other revenue	<u>1,369,320</u>	<u>1,369,320</u>
Total (net)	<u><u>28,985,854</u></u>	<u><u>29,781,646</u></u>

Summary analysis of the budget

49. The appropriations for 1968 form part of the budget for the biennium 1967-1968. As approved by the General Conference of UNESCO at its fourteenth session in 1966, the expenditure appropriations for the two-year period amount to \$61,506,140 net of

^{15/} The Advisory Committee's eleventh report to the General Assembly at its current session (A/6905) deals with a review of the administrative and management procedures concerning the programme and budget of the United Nations Educational, Scientific and Cultural Organization.

staff assessment. Casual revenue is estimated at \$2,738,640. The amount to be assessed on member States for 1967-1968 was fixed at \$60,200,000, including a reimbursement of \$1,432,500 to the working capital fund for advances in 1965-66.

50. The increases in the 1967-68 appropriations over those for the preceding biennium, as recosted, broken down over the various parts of the regular budget, are as follows:

<u>Part of budget</u>	<u>1965-1966</u>		<u>1967-1968</u>	<u>Increase</u>	<u>Per cent</u>
	<u>Approved</u>	<u>Recosted</u>			
	\$	\$	\$	\$	
Part I. General policy	1,983,772	2,272,862	2,487,662	214,800	9.5
Part II. Programme operations and services	34,961,977	39,405,439	42,535,141	3,129,702	7.9
Part III. General administration	6,155,838	7,042,727	7,483,329	440,602	6.3
Part IV. Common services	<u>4,204,152</u>	<u>4,612,511</u>	<u>4,948,747</u>	<u>336,236</u>	<u>7.3</u>
Total, Parts I-IV	47,305,739	53,333,539	57,454,879	4,121,340	7.7
Part V. Capital equipment and reimbursement	<u>1,551,261</u>	<u>1,551,261</u>	<u>4,051,261</u>	<u>2,500,000</u>	<u>N.A.</u>
GRAND TOTAL	<u>48,857,000</u>	<u>54,884,800</u>	<u>61,506,140</u>	<u>6,621,340</u>	<u>12.1</u>

51. The Advisory Committee noted that the recosted figures for 1965-1966 given above differ by a margin of \$1,345,000 from the recosted figures for the same period submitted to it last year, and amount to a total of \$54,884,800 as against \$56,229,800. In its report to the General Assembly at its twenty-first session,^{16/} The Advisory Committee expressed the opinion that the method of statistical extrapolation used by UNESCO in recosting approved appropriations for the current biennium in order to determine the basis for the estimates for the following biennium contain an element of judgement which makes them susceptible of adjustment in the light of subsequent developments. The Committee notes that this adjustment

^{16/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 79, document A/6522, paras. 86-88.

(\$1,345,000) equals 18 per cent of the \$7,372,800 added to the approved appropriation for 1965-66 in the original recosting process.

52. Appropriations for personnel services in 1968, in the amount of \$17,589,451, show an increase of \$473,128 (2.8 per cent) over the 1967 figure of \$17,116,323. This increase is partly attributable to the creation of 15 new posts which will bring UNESCO's total establishment in 1968 to 1,666: 1,357 posts at headquarters, Paris (the 19 posts of the New York liaison office are included in this total) and 309 in the field. The Advisory Committee has been informed that of the total of 1,666 posts, sixty-four (4 per cent of the total) constitute a margin for meeting programme requirements in accordance with the 1967-1968 appropriation resolution.

53. Appropriations for general services, at \$7,935,800, are \$85,783 above the 1967 figure of \$7,850,017. These appropriations include \$275,631 for repayment of UNESCO headquarters loans, \$150,000 for conservation and renovation of headquarters buildings, and \$1,750,000 for the construction of additional headquarters premises.

54. The increase in the appropriations for special projects and activities amounts to \$320,815. All but approximately \$50,000 of this increase relates to services especially contracted for with national and international organizations, and with individuals. The cost of these services, at \$3,242,722, is 9 per cent higher than in 1967.

55. In its fourteenth report to the General Assembly at the twenty-first session,^{17/} the Advisory Committee commented on the proposal before the General Conference for an increase in the level of the working capital fund from \$3 to \$4 million. The Committee had questioned the need for the increase, and was informed that without the increase of \$1 million, it might be necessary to resort to external financing not only for construction costs, but also for regular budget expenditures. The Committee notes that the General Conference decided at its fourteenth session to raise the level of the fund by \$800,000 to \$3,800,000. The Director-General has been requested to report to the Executive Board on the question of the level of the working capital fund so that a reappraisal of that level can be submitted, if necessary, to the fifteenth session of the General Conference.

^{17/} Ibid., para. 94.

D. International Civil Aviation Organization

	<u>1967</u> <u>Appro-</u> <u>priations</u>	<u>1968</u> <u>Appro-</u> <u>priations</u>
	\$	\$
Personnel services	5,786,396	5,805,468
General services	1,284,455	1,236,479
Special projects and activities	45,000	45,000
Other budgetary provisions	<u>9,370</u>	<u>9,370</u>
Total (gross)	7,125,221	7,096,317
<u>Less:</u> Staff assessment	930,679	947,564
Other revenue	<u>635,542</u>	<u>633,753^{a/}</u>
Total (net)	<u><u>5,559,000</u></u>	<u><u>5,515,000</u></u>

a/ Including a reimbursement of \$348,000 by the United Nations for staff connected with technical assistance activities at headquarters.

56. The Advisory Committee discussed the 1968 budget of ICAO and related matters with the Secretary-General of the organization and his representative.

57. The budget appropriations for 1968 cover requirements for the last year of the triennial period 1966-1968, as approved by the Assembly of ICAO at its fifteenth session in 1965. The gross total (\$7,096,317) is \$28,904 below the 1967 appropriations of \$7,125,221. The decrease is attributable to a reduction under general services of \$47,976 mainly as a result of lower appropriations for travel on official business, partly offset by an increase of \$19,072 under personnel services to meet normal salary increments and common staff costs.

58. In addition to the aforesaid total, the Council of ICAO is authorized, if necessary, to appropriate a further amount not exceeding \$255,700 in 1968 for the specific purpose of financing contingent expenditures to adjust the salaries of general service staff at ICAO headquarters and related pension fund contributions (\$155,700), to place Montreal in a higher class for post adjustment purposes (\$78,000), and to adjust by 5 per cent the scale of pensionable remuneration of professional staff (\$22,000).

59. The Advisory Committee notes that ICAO's establishment in 1968 will be retained at the 1967 level of 562 posts (211 in the professional and higher categories, and 351 in the general service category).

60. ICAO acts as executing agency for a number of UNDP (Special Fund) projects. The staff servicing technical assistance activities as approved by the Assembly number 37, including 14 professional and 23 general service posts. The UNDP allocations and the Government counterpart contributions to these projects are as follows:

	<u>Special Fund allocation a/</u>	<u>Government counterpart contribution</u>	<u>Total</u>
	\$	\$	\$
Congo, Dem. Rep. of	1,216,600	2,788,481	4,005,081
India	988,357	6,657,000	7,645,357
East African Common Services	888,545	1,949,100	2,837,645
Lebanon	2,207,549	2,142,120	4,349,669
Morocco	542,454	1,721,320	2,263,774
Nigeria	1,710,231	3,319,689	5,029,920
Thailand ^{b/}	1,584,496	1,656,800	3,241,296
Tunisia	1,130,100	1,905,225	3,035,325
United Arab Republic	<u>1,190,174</u>	<u>869,000</u>	<u>2,059,174</u>
	<u>11,458,506</u>	<u>23,008,735</u>	<u>34,467,241</u>

a/ Including agency costs.

b/ Second phase project under negotiation.

E. Universal Postal Union

	<u>1967 Revised</u> <u>appropriations</u> \$ ^{a/}	<u>1968</u> <u>estimates</u> \$ ^{a/}
Personnel services	871,227 ^{b/}	1,028,495 ^{b/}
General services	450,324	396,088
Special projects and activities	273,264	219,375
Other budgetary provisions	-	-
Total (gross)	<u>1,594,815</u>	<u>1,643,958</u>
Less: Casual revenue	<u>194,583</u>	<u>185,625</u>
Total (net)	<u><u>1,400,232</u></u>	<u><u>1,458,333</u></u>

a/ Converted at the rate of \$US1.00 = Swiss francs 4.32.

b/ Net; the staff assessment system does not apply to UPU.

61. The UPU budget estimates for 1968, prepared by the International Bureau, were approved by the Executive Council in May 1967. In a resolution dated 25 May 1967 the Council recommended to the Supervisory Authority of the Union that it approve the 1968 budget estimates for a total net amount of Swiss francs 6,300,000 (\$1,458,333).

62. The total gross estimates for 1968 stand at Swiss francs 7,101,900 (\$1,643,958). This represents an increase of Swiss francs 212,300 (\$49,143), or 3.08 per cent, over the revised appropriations for 1967. The provision for personnel services, at \$1,028,495, shows an increase of \$157,268, or 18 per cent, over the revised appropriation for 1967, largely due to the creation of thirteen new posts (5 professional and 8 general service) decided upon by the Executive Council in May 1967 because of the increased technical assistance and vocational training activities, and the decision by UPU to reproduce documents by the photo-offset process. The number of established posts in the International Bureau of the UPU will thereby be increased to 94, from 79 in 1967 and 75 in 1966.

63. The increase under personnel services is partly offset by lower estimates for general services and for other budgetary provisions. The former, at \$396,088, are

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\$54,236 (or 12 per cent) below the 1967 figure, the reduction being due to savings expected to result from the introduction of offset printing, and to the fact that the 1968 meeting of the Management Council of the Consultative Committee for Postal Studies will probably be held in closer proximity to UPU headquarters than the meeting scheduled in 1967. The estimate for special projects and activities is \$53,889 below the 1967 figure. The Advisory Committee indicated in its report on administrative and budgetary co-ordination, submitted to the General Assembly at its twenty-first session,^{18/} that the 1967 estimate included a substantial non-recurring item of expenditure, namely, provision for the reissue of Nomenclature internationale des bureaux de poste; owing to that factor the 1968 estimate is smaller than the 1967 appropriation despite the fact that the former makes provision for the capital cost of installing the offset equipment and for further strengthening the local vocational training programme.

64. In the same report (para. 103), the Advisory Committee indicated that the UPU had made arrangements for the translation, on an extra-budgetary basis, of its documents into English and Arabic. The 1968 estimates extend this system to Spanish as well. Estimated gross expenditure amounts to a total of \$194,491 (\$151,667 for English, \$19,676 for Arabic, and \$23,148 for Spanish) and will be reimbursed in full by assessment of the recipient member States concerned.

65. The Advisory Committee has been informed that, at its May 1967 session, the Executive Council adopted a resolution authorizing a committee consisting of the Chairman of the Executive Council, the Chairman of the Finance Committee and the Director-General of the International Bureau to adjust appropriations within the approved budget, provided that the total net expenditure, as approved, is not exceeded and that no amount is transferred to the item "Salaries" in the group "Staff". Any adjustments made must be notified to the Supervisory Authority and brought to the notice of the Finance Committee and the Executive Council at their following sessions.

^{18/} Ibid., para. 102.

F. World Health Organization

	<u>1967</u> <u>Appro-</u> <u>priations</u>	<u>1968</u> <u>Appro-</u> <u>priations</u>
	\$	\$
Personnel services	38,045,434	41,421,686
General services	11,746,196	12,590,321
Special projects and activities	7,224,150	8,004,121
Other budgetary provisions	<u>1,081,600</u>	<u>600,000</u>
Total	58,097,380	62,616,128
<u>Less: Staff assessment</u>	<u>6,021,780</u>	<u>6,493,128</u>
Total effective working budget.	<u><u>52,075,600</u></u>	<u><u>56,123,000</u></u>

66. The Advisory Committee had an opportunity to discuss the 1968 budget of WHO and related matters with an Assistant Director-General of that organization.

Summary analysis of the 1968 budget

67. The effective working budget for 1968, as established by the twentieth World Health Assembly, amounts to \$56,123,000, representing an increase of \$4,047,400, or 7.77 per cent, over the corresponding figure for 1967. The 1968 appropriation includes \$80,000 for WHO's participation in the joint Inspection Unit, and \$49,000 for implementing the decision of the twentieth World Health Assembly to adopt Russian and Spanish as working languages of the Assembly and the Executive Board.

68. Including an undistributed reserve of \$3,742,580 (equal to the assessments on inactive Members, and on China and the Republic of South Africa) the total appropriated by the twentieth World Health Assembly for 1968 amounts to \$59,865,580. Income (other than staff assessment) available to help finance the 1968 budget amounts to \$1,930,900 consisting of \$1,301,900 by reimbursement from the Technical Assistance component of the United Nations Development Programme, and \$629,000 in casual revenue (\$42,700 from assessments on new Members during previous years, \$129,000 by transfer from the Assembly Suspense Account, and \$457,300 from miscellaneous income). The net total for 1968 to be financed by assessments on member States thus amounts to \$57,934,680.

69. Increased appropriations for the operating programme (part II of the budget) account for \$4,343,125, or 95.8 per cent of the total increase forecast for 1968 as compared with the 1967 appropriations. The increase is made up as follows: programme activities, \$4,133,137; regional offices, \$209,988.

70. The increase of \$4,133,137 for programme activities includes \$1,022,163 for headquarters, \$2,772,402 for field projects, \$226,948 for regional advisers or regional health officers; and \$111,624 for WHO representatives. Of the increase at headquarters \$587,832 (or 57 per cent) represents additional costs of continuing the 1967 establishment into 1968; and just under \$90,000 represents provision for a net increase of eleven posts.

71. The net increase of \$209,988 for regional offices results from increased staff costs amounting to \$280,071, partly offset by decreases for common services and public information supplies and materials totalling \$70,083. The increased staff costs include a provision of \$26,681 for five new posts.

72. Other budgetary increases and decreases: The appropriations under part III, Administrative services, show an increase of \$189,740 over the 1967 figure. Nearly two-thirds of the increase (\$122,117) is due to the additional costs of continuing the 1967 establishment into 1968; provision is also made for one new post (\$6,393). The appropriation under part I, Organizational meetings, shows a decrease of approximately \$4,000. Under part IV, Other purposes, there is a net decrease of \$481,600 attributable to lower provisions for the headquarters and South-East Asia building funds (\$581,600), partly offset by a provision of \$100,000 for the teaching and laboratory equipment revolving fund.

73. The Advisory Committee recalls that in its report on administrative and budgetary co-ordination to the General Assembly at the twenty-first session^{19/} it had expressed interest in the Revolving Fund. The Committee understands that the Fund has already proved its usefulness and has been used in connexion with thirty-six requests from eight countries involving a total sum of \$230,000.

Established posts

74. The 1968 budget provides for a net increase of 95 posts over the 1967 establishment: 15 for headquarters, 5 for regional offices and 75 for field

^{19/} Ibid., paras. 116-117.

activities. The Committee was informed that these 75 extra posts had been provided to meet Governments' requests for additional projects of direct assistance.

75. The following table shows the distribution of posts between headquarters, regional offices and field activities for the years 1964-1968:

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
Headquarters	804	941	1,002	1,070	1,085
Regional offices	460	481	500	511	516
Field activities	<u>978</u>	<u>1,062</u>	<u>1,106</u>	<u>1,204</u>	<u>1,279</u>
	<u>2,242</u>	<u>2,484</u>	<u>2,608</u>	<u>2,785</u>	<u>2,880</u>

The 1967 total of 2,785 includes 34 posts added to the establishment to meet changed programme requirements following a review of the 1967 programme which was carried out at the time the proposed 1968 programme and budget estimates were being prepared. Consequently the increase in 1968 over the figure previously communicated to the General Assembly^{20/} amounts to 129 posts.

76. The Committee was informed that the 1968 budget introduces a number of organizational changes, the main ones being the creation of a new Division of Co-ordination and Evaluation, out of the former office of Research Planning and Co-ordination and units of Programme Co-ordination and Programme Formulation and Evaluation; and the reorganization of the former Division of Biology and Pharmacology, together with certain units in other divisions into two new divisions; the Division of Biomedical Sciences and the Division of Pharmacology and Toxicology. The functions of the Division of Co-ordination and Evaluation include the co-ordination of programmes and research in the WHO itself and between WHO and the other organizations in the United Nations family; the Division does not deal with administrative co-ordination.

Voluntary fund for health promotion

77. Implementation of the programmes financed out of voluntary accounts is limited by the extent to which funds actually become available. The following table shows the estimated costs of the programmes planned:

20/ Ibid., para. 109.

(a) From funds available as at 1 January 1967, and

(b) Those which can be implemented only to the extent that additional voluntary funds are forthcoming:

	<u>1966</u>		<u>1967</u> US dollars		<u>1968</u>	
	(a)	(b)	(a)	(b)	(a)	(b)
Medical research	593,571	-	535,331	1,391,769	332,500	1,801,190
Community water supply . .	24,156	-	163,181	378,579	-	644,937
Malaria eradication	984,252	-	1,581,888	363,284	-	1,982,405
Leprosy programme	61,464	-	84,628	766,956	60,000	1,463,509
Yaws programme	15,155	-	2,770	404,593	-	637,878
Smallpox eradication	36,637	-	-	-	-	-
Other special accounts . . .	566,224	-	-	-	-	-
Totals	2,281,459	-	2,367,798	3,305,181	392,500	6,529,919
Grand totals	2,281,459		5,672,979		6,922,419	

78. In examining the programmes financed under the voluntary fund, the twentieth World Health Assembly adopted a resolution in which it expressed the hope that more contributions would be forthcoming, and invited the Director-General to take such further action as would contribute to the effective implementation of the programme. The Advisory Committee understands that an increase in the flow of private contributions could be expected if the system of world health foundations can be successfully developed.

United Nations Development Programme

79. The obligations for 1966 and the estimates for 1967 and 1968 are shown in the following table:

	Obligations 1966 \$	Estimated obligations 1967 \$	Estimated obligations 1968 \$
Technical Assistance component			
project costs	9,071,814	8,404,432	7,732,726
Administrative and operational			
services costs	<u>1,149,197</u>	<u>1,301,560</u>	<u>1,301,900</u>
	10,221,011	9,705,992	9,034,626
Special Fund component	2,076,083	2,932,123	3,222,326

80. With regard to the Technical Assistance component, the Advisory Committee has been informed that only \$7,714,146 had been allocated for project costs in 1967 and that the resources which will be available for 1968 had not been known to WHO when the estimates for 1968 were approved.

81. Certain other projects are financed from funds-in-trust and, in the Americas, from funds of the Pan-American Health Organization (PAHO) and other funds administered by the Pan-American Sanitary Bureau. The cost of the various activities financed or to be financed from funds directly or indirectly administered by WHO, together with the staffing requirements for those activities in 1966, 1967 and 1968, are summarized in the following table:

	Number of posts			Obligations	Estimates	
	1966	1967	1968	1966	1967	1968
				\$US	\$US	\$US
Regular WHO budget .	2,608	2,785	2,880	43,439,677	52,075,600	56,123,000
Voluntary fund for health promotion .	57	46 ^{a/} 64 ^{b/}	11 ^{a/} 140 ^{b/}	2,281,459	(2,367,798 ^{a/} (3,305,181 ^{b/}	392,500 ^{a/} 6,529,919 ^{b/}
United Nations Development Programme:						
(a) Technical Assistance component . .	415	397	340	9,071,814	8,404,432	7,732,726
(b) Special Fund component . .	21	22	22	2,076,083	2,932,123	3,222,326
Funds-in-trust . . .	172	165	134	2,615,780	2,240,908	1,951,346
PAHO:						
Regular PAHO budget	384	423	453	8,080,000	9,115,680	10,190,000
Other funds	493	444	425	5,116,028	4,716,904	4,399,460
Total	4,150	4,282	4,265	72,680,841	81,853,445	84,011,358
		64 ^{b/}	140 ^{b/}		3,305,181 ^{b/}	6,529,919 ^{b/}

- ^{a/} Programmes to be implemented from funds available as at 1 January 1967.
^{b/} Programmes which can be implemented only to the extent that additional voluntary contributions are forthcoming.

82. UNICEF has indicated to WHO that a sum of approximately \$17,000,000 might be provided in 1968 for projects jointly assisted by UNICEF and WHO, as against \$15,927,500 in 1966 and \$16,170,786 in 1967.

Miscellaneous income

83. As has been stated in paragraph 68 above, income available to help finance the 1968 budget amounts to \$629,000. During its examination of WHO's budget for 1967, the Advisory Committee was informed that casual income was used by the World Health Assembly to finance supplementary estimates in order to avoid additional

assessments on Member States.^{21/} The Committee noted that the supplementary budget estimates for 1967 amounted to \$805,750 and that the twentieth World Health Assembly had decided that they be financed from casual income.

Headquarters accommodation

84. In its report on administrative and budgetary co-ordination to the General Assembly at the twenty-first session, the Advisory Committee commented on the inadequacy of the new WHO headquarters building in terms of the organization's total accommodation needs.^{22/} The Committee notes that the twentieth World Health Assembly authorized a total estimated cost of the headquarters building project in an amount of Swiss francs 63.5 million (\$14.7 million), an increase of Swiss francs 1 million (\$231,500) over the previously authorized amount. This amount of \$231,500 has been included in the supplementary estimates for 1967 approved by the Health Assembly.

85. Moreover, in order to meet immediate and intermediate needs for additional office space, the Health Assembly authorized^{23/} the construction of a temporary building at a cost of \$400,000, to be advanced from the working capital fund. Notwithstanding the provisions of WHO Financial Regulation 6.4, the Assembly approved the reimbursement of this advance "over a period of years" from annual budget appropriations for rental of office accommodation.

Electronic data processing

86. The Advisory Committee understands that WHO plans to install an IBM model 360/40 computer in October 1968 to replace the 360/30 model now in use. The Committee learnt with interest that WHO had entered into formal agreements with the United Nations Research Institute for Social Development, UNCTAD and the International Labour Organisation, providing for the use of the WHO computer by them, and that arrangements with the United Nations Postal Administration at Geneva were under discussion.

^{21/} Ibid., para. 118.

^{22/} Ibid., para. 115.

^{23/} Resolution WHA.20.23.

87. The Committee was informed that a consultant engaged by WHO to review computing resources had recommended that a United Nations Computer Users Committee be set up at Geneva to plan future computing needs of the various organizations. In that way greater computing power could be purchased for the same outlay and considerable economies could be achieved by the user organizations.^{24/}

Programme and budget co-ordination

88. The Advisory Committee noted with interest that the twentieth World Health Assembly had decided to amend the terms of reference of its Committee on Programme and Budget, making it incumbent upon the Committee, after the World Health Assembly had approved the appropriation resolution for the ensuing year, and after hearing the views of the Director-General, to recommend the general order of magnitude for the budget for the second ensuing year, for the orientation of the Director-General in the preparation of his proposed programme and budget for that year.

89. With regard to the implementation of the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, the twentieth World Health Assembly decided that WHO would participate in the joint Inspection Unit as soon as agreement on its establishment had been reached. It made budgetary provision for participation in the joint Inspection Unit in the amount of \$80,000, \$58,400 of this amount to be charged to programme activities and the balance of \$21,600 to administrative services. The Health Assembly requested the Director-General of WHO to continue to co-operate in inter-agency consultations on the implementation of the recommendations of the Ad Hoc Committee which require concerted action with the other organizations. The Director-General was further requested to take steps, as soon as practicable, to implement or, as appropriate, to facilitate the implementation of recommendations which did not call for constitutional amendment and on which prior inter-agency consultation had been completed or was unnecessary, and in particular those dealing with budget preparation, presentation and performance and programme

^{24/} The Advisory Committee has dealt with the question of electronic data processing equipment in the United Nations family in a chapter of its report on general co-ordination matters (A/6910).

planning and evaluation.^{25/} Furthermore, in resolution WHA.20.49/Rev.1 the WHO Executive Board has been requested to submit to the twenty-first World Health Assembly a review of the organizational study on co-ordination with the United Nations and the specialized agencies.

G. International Telecommunication Union

	<u>1967</u> <u>Revised</u> <u>appro-</u> <u>priations</u> <u>\$^{a/}</u>	<u>1968</u> <u>appro-</u> <u>priations</u> <u>\$^{a/}</u>
Personnel services	4,332,454 ^{b/}	4,736,042 ^{b/}
General services	1,292,037	1,140,995
Special projects and activities	449,490	596,412
Other budgetary provisions	<u>8,102</u>	<u>8,101</u>
Total (gross)	6,082,083	6,481,550
<u>Less: Miscellaneous revenue</u>	<u>911,042</u>	<u>1,206,574</u>
Total (net)	<u><u>5,171,041</u></u>	<u><u>5,274,976</u></u>

a/ Converted at the rate of \$US1.00 = Swiss francs 4.32.

b/ Excluding staff assessment, as ITU salaries are budgeted on a net basis. The amounts of staff assessment for 1967 and 1968 are \$800,000 and \$820,000 respectively.

90. Under the terms of the International Telecommunication Convention (Montreux, 1965), article 6, number 36, the Plenipotentiary Conference, supreme organ of the International Telecommunication Union, establishes the basis for the budget of the Union and lays down the fiscal limits for the yearly expenditure of the Union until the next Plenipotentiary Conference; it also gives final approval to the accounts of the Union. The annual detailed budget of the Union, drawn up within the fiscal limits prescribed by the Plenipotentiary Conference, is approved by the

25/ Resolution WHA.20.22.

Administrative Council, which consists of twenty-nine members elected by the Plenipotentiary Conference (article 9, number 102).

91. Additional Protocol I to the 1965 Convention authorizes the Administrative Council of the Union to draw up the annual budgets of the Union for 1966-1971 within certain limits. For 1968 these limits amount to 18,610,000 Swiss francs (\$US4,307,870) for the expenses of the Administrative Council, the General Secretariat, the International Frequency Registration Board, the secretariats of the International Consultative Committees, and the Union's laboratories and technical equipment, and to 2,985,000 Swiss francs (\$US690,972) for conferences and meetings. The Administrative Council is authorized, under the Additional Protocol, to exceed these limits to cover the cost of preparing a draft constitutional charter, to take account, inter alia, of increases in salary scales, pension contributions or allowances, including post adjustments, and to the extent that there exist credits accrued from previous years. The additional amount available in 1968 under these provisions is 2,082,300 Swiss francs (\$US482,014).

Consequently, the total budget of the Union in 1968 which, excluding the technical co-operation special accounts (2,616,400 Swiss francs = \$US605,648) and the supplementary publications budget (2,576,500 Swiss francs = \$US596,412), amounts to 22,772,400 Swiss francs (\$US5,271,389), is 904,900 Swiss francs (\$US209,467) less than the authorized limit. In addition, the 1968 budget contains provisions for the maintenance and renewal of equipment in an amount of 35,000 Swiss francs (\$US8,101); this expenditure will be met from the rentals received for hiring out this equipment.

92. Total appropriations for ITU ordinary expenditure in 1968, at \$5,279,490, are \$104,629, or 2 per cent higher than the appropriations for 1967 as revised by the Administrative Council at its twenty-second session in May 1967 (\$5,174,861). The additional credits approved by the Council for 1967 amounted to \$228,194; nearly half this amount related to additional meetings of study groups of the International Telegraph and Telephone Consultative Committee carried over from 1966, and the balance covered certain increases in General Service salaries, and the cost of alterations and additions to premises.

93. The 1968 appropriations for administrative expenses of the Technical Co-operation Department amount to \$605,648 which represents an increase of

\$147,916, or 32 per cent, over the revised 1967 appropriation of \$457,732 (the latter was \$7,894 above the initial 1967 figure). This increase is partly due to the reorganization of the Department, which involves the creation of eight new posts.

94. The appropriations for ITU ordinary expenditure and the technical co-operation special accounts amount to a total of \$5,885,138, including \$4,736,042 personnel services, \$1,140,995 general services, and \$8,101 other budgetary provisions.

95. The increase in personnel costs over the revised 1967 appropriation of \$4,332,454 amounts to \$403,588 or 9 per cent. The main reasons for the increase are the creation of three new established posts under the ITU regular budget (1 professional and 2 general service) and eight such posts (2 professional and 6 general service) under the technical co-operation budget, a provision of 2.5 per cent of general service salaries for new posts in that category, and a provision for reclassification of posts now under consideration.

96. The ITU establishment in 1968 will amount to 433 posts^{26/} (382 under the regular budget and 51 under the technical co-operation budget), as against 422 in 1967 and 406 in 1966.

97. The appropriations for general services in 1968 are \$151,042, or 12 per cent, below the revised 1967 figure of \$1,292,037. The decrease is due to lower appropriations for the hiring of premises for conferences, and to lower building maintenance costs. The appropriations for general services include a provision of \$84,722 for an electronic computer.

98. The 1968 appropriations for conferences and meetings, including staff costs, amount to \$763,901, an increase of \$48,391, or 7 per cent, above the revised 1967 figure of \$715,510. The costs of conferences and meetings in 1968 will account for 13 per cent of the ITU budget, excluding the supplementary publications budget.

99. The budget for special projects and activities (supplementary publications budget) amounts to \$596,412, as against \$449,490 in 1967 (revised figure).

Expenditure is estimated at \$590,884, and the excess of income over expenditure, to be credited to the publications capital account, is estimated at \$5,528.

^{26/} One hundred and forty-one in the professional category and above, and 292 general service.

100. Miscellaneous revenue is set at \$1,206,574, made up as follows:

Sale of publications	\$ 596,412
Contributions to technical co-operation administrative costs	605,648
Sundry income	<u>4,514</u>
	<u>\$1,206,574</u>

101. The amount to be covered in 1968 by contributions of members and associate members of the Union and by withdrawals from reserve accounts totals \$5,274,976. As the Advisory Committee indicated in its fourteenth report to the General Assembly at its twenty-first session (A/6522, para. 125), the criteria governing contributions to ITU are completely different from those employed for assessing Members of the United Nations and almost all the specialized agencies. Under article 16 of the 1965 Convention, members and associate members are free at the beginning of each convention to choose their class of contribution for defraying Union expenses; they cannot subsequently obtain a reduction in unit classification during the life of the convention.^{27/} The amount of the contribution pertaining to each class is the number of "units" in that class; there are a total of 14 classes ranging from 30 units to half a unit. The Administrative Council has set the unit of contribution by members and associate members in 1968 at \$10,556 (as against \$10,000 in 1967). Consequently, the minimum contribution by a member or associate member equals 0.1 per cent of the net expenses of the Union. Total contributions by members and associate members in 1968 are expected to amount to \$4,976,944. A further sum of \$162,616 is estimated to accrue from recognized private operating agencies, scientific or industrial organizations and international organizations participating in the work of International Consultative Committees. The balance of \$135,416 will be covered by withdrawals from reserve accounts.

^{27/} The 1965 Plenipotentiary Conference recognized that this method of fixing contributions may lead to difficulties and in resolution No. 11 it instructed the Secretary-General and the Administrative Council to study possible amendments to article 16 and to submit specific suggestions to the next Plenipotentiary Conference, which is now planned for 1971.

H. World Meteorological Organization

	<u>1967</u> <u>Revised</u> <u>appro-</u> <u>priations</u>	<u>1968</u> <u>appro-</u> <u>priations</u>
	\$	\$
Personnel services	1,426,531	1,825,513
General services	348,572	294,750
Special projects and activities	1,293,255	746,680
Other budgetary provisions	<u>14,992</u>	<u>17,500</u>
Total (gross)	3,083,350 ^{a/}	2,884,443
<u>Less: Revenue</u>	<u>145,721^{b/}</u>	<u>297,534^{c/}</u>
Total (net)	<u><u>2,937,629</u></u>	<u><u>2,586,909</u></u>

a/ Includes a total of \$506,169 reappropriated from the 1966 budget (personnel services \$43,882, general services \$17,968, special projects and activities \$438,327, other budgetary provisions \$5,992).

b/ Includes an estimate of \$143,221 for staff assessment and \$2,500 for casual revenue.

c/ Includes an estimate of \$295,034 for staff assessment and \$2,500 for casual revenue.

Level of budget

102. The fifth World Meteorological Congress, held in Geneva in April 1967, approved a maximum expenditure of \$11,817,000 for the fifth financial period, which runs from 1 January 1968 to 31 December 1971. The Executive Committee of WMO has been authorized (a) to incur additional expenditures not exceeding a further total amount of \$100,000, which may be agreed by members, and (b) to exceed the maximum expenditure in respect of increases in staff salaries and allowances as effected by the United Nations where these increases cannot be met by economies.

Summary analysis of the 1968 budget

103. The budget for 1968, the first financial year of the fifth financial period, as adopted by the WMO Executive Committee at its nineteenth session (May 1967),

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amounts to a gross total of \$2,589,409, as against an initial appropriation of \$2,433,960 for 1967, both figures being net of staff assessment, for which see paragraph 110 below. This represents a net increase of \$155,449 or 6.38 per cent for the budget as a whole. Personnel services show an increase of \$442,864 gross (\$291,051 net of staff assessment), which is partly offset by reductions in the appropriations for general services (\$35,854) and special projects and activities (\$108,248); other budgetary provisions show an increase of \$8,500.

104. Compared with the revised appropriations for 1967 which, as has been indicated in the table above, include reappropriations from 1966 budget totalling \$506,169, the 1968 appropriations show a decrease of \$350,720 gross.

105. The increase in the cost of personnel services is attributable to the decision by the Fifth Congress to increase the WMO establishment from 131 posts authorized for 1967 to 166 posts in 1968. Further staff increases are envisaged during the remainder of the fifth financial period (to 187 in 1969, 205 in 1970 and 211 in 1971). The increases are related mainly to the increased activities to be undertaken in 1968-1971 within the World Weather Watch programmes.^{28/}

106. The lower estimates for general services in 1968 as compared with 1967 are due in part to a decrease of approximately \$50,000 in the conference costs of policy-making organs. On the other hand, substantial increases occur in the appropriations for accommodation (\$110,000 as against \$53,992), office equipment and machines (\$32,500 as against \$5,037), communications (\$50,000 as against \$33,175) and stationery and office supplies (\$36,000 as against \$13,851).

Format of budget

107. Pursuant to decisions taken by the fifth Congress and by the Executive Committee in May 1967, major changes have been made in the format of the WMO budget involving the abolition of former part VII, Panels and working groups of constituent bodies and planning meetings, and part VIII, Personnel.

^{28/} The anticipated growth in budget appropriations for 1968-1971 and in the staff of WMO were referred to by the Advisory Committee in its fourteenth report to the General Assembly at the twenty-first session (A/6522, para. 152).

108. The regular budget for 1968 is divided into six parts:

I.	Policy-making organs (meetings of the Congress, Extraordinary Congress, Executive Committee and Bureau, and related expenditure of the President of the organization)	\$109,600
II.	Executive management (staff costs, representation, travel and public information expenses of the offices of the Secretary-General and Deputy Secretary-General, External and Public Affairs Office, and legal consultant)	\$162,098
III.	Programme of technical activities (sessions of technical commissions and working groups and of the Advisory Committee, staff costs of the Special Assistant for Technical Polices and Programmes, the Scientific and Technical Department, the Technical Co-operation Department, the Special Assistant for World Weather Watch Management and Co-ordination, and of the Conference and Publication Division, long-term fellowships, projects, technical publications and library, and various related items)	\$1,652,611
IV.	Regional activities	\$139,000
V.	Administrative and common services	\$481,600
VI.	Other budgetary provisions (including \$17,500 for contingencies and unforeseen expenditure)	\$44,500
		\$2,589,409

109. The Advisory Committee noted that under the new format one part (part III) accounts for 64 per cent of the total budget appropriations.

110. The Advisory Committee was informed that although the fifth Congress had approved the staff assessment plan for WMO, it had adopted the budget for 1968-1971 in net figures and had assessed contributions accordingly. The Congress also decided not to set up a tax equalization fund inasmuch as any reimbursements which might become due in respect of national income tax would involve relatively small amounts.

Other matters

111. Regional representation. In paragraph 131 of its fourteenth report to the General Assembly at the twenty-first session, the Advisory Committee indicated that although a post of Regional Representative for Africa had been established as from 1 January 1967, the official concerned was still being stationed at WMO headquarters. The Committee has been informed that the fifth Congress had decided to continue this post, and to keep it at Geneva. Provision for a similar post for Latin America has been included in the 1968 appropriations; the incumbent will be stationed at headquarters.

112. New development fund. The Advisory Committee understands that not all the projects approved during the fourth financial period for financing from the new development fund will be completed by 31 December 1967, and that the fifth Congress had decided that the surplus on this part of the budget at that date should be kept available (separately from the general fund) for the continuation of the approved NDF projects and of any new projects which may be approved by the Executive Committee.

113. Accommodation. The Advisory Committee has been informed that the architectural study undertaken to determine the feasibility of adding a new wing to the WMO building had been concluded, and that, in accordance with the directives of the fifth Congress, proposals were being placed before the members for the purchase of the present building and the financing and eventual purchase of the new wing (see A/6522, para. 133). In the meantime, it would be necessary to rent additional office accommodation.

114. World Weather Watch. In paragraph 132 of its fourteenth report to the General Assembly at the twenty-first session, the Advisory Committee indicated that the Secretary-General of WMO had prepared tentative plans for the implementation in 1968-1971 of the World Weather Watch programme, the purpose of which is to ensure availability to all countries of meteorological processed information and observations including satellite data best suited to meet their needs. In adopting the plan for 1968-1971, the fifth Congress decided that, in addition to any assistance which may be given to developing countries under UNDP and bilateral arrangements, WMO should establish a voluntary assistance programme to which members would be invited to contribute in cash or in the form of equipment or services. The

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target is \$1 million in cash and \$4 million in kind per annum. Congress decided that the voluntary assistance programme should be administered under rules and procedures similar to those used for the new development fund, to be approved by the Executive Committee.

I. Inter-Governmental Maritime Consultative Organization

	<u>1967</u> <u>Appro-</u> <u>priations</u>	<u>1968</u> <u>Appro-</u> <u>priations</u>
	\$	\$
Personnel services (including staff recruited for meetings)	587,815 ^{a/}	742,616 ^{a/}
General services	231,450	221,305
Special projects and activities	-	-
Other budgetary provisions	<u>1,501</u>	<u>2,500</u>
Total (gross)	820,766	966,421
<u>Less:</u> Casual revenue	<u>2,700</u>	<u>3,500</u>
Total (net)	<u><u>818,066</u></u>	<u><u>962,921^{b/}</u></u>

- a/ Net. The Advisory Committee understands that the gross equivalent (including staff assessment) does not appear in the IMCO budget and is not computed.
- b/ The 1967 appropriations include a provision of \$14,000 for printing. As explained in para. 122, the Assembly of IMCO has decided not to include any provision for printing in the 1968 appropriations.

Summary analysis of the budget

115. The regular budget of IMCO is appropriated for a financial period of two consecutive calendar years, but shows separately the appropriations for each year. The appropriations for the biennium 1968/69, as adopted by the Assembly of IMCO at its fifth session in October 1967, amount to \$2,102,241 gross, or \$2,095,241 net. The latter figure is \$354,849 (or 20.4 per cent) above the appropriations for the biennium 1966/67, which amounted to \$1,740,392. The increase between 1967 and 1968 amounts to \$144,855 (17.7 per cent).

116. The increase in the provisions for personnel services is mainly due to the creation of a total of twelve new posts (6 professional and 6 general service). The establishment of IMCO in 1968/69 will amount to 84 (29 professional and 55 general service), as against 72 (23 professional and 49 general service) in 1966/67.

117. The Advisory Committee has been informed that the Assembly of IMCO has approved certain changes in the structure of the IMCO secretariat. First, the hitherto combined functions of Deputy Secretary-General and Secretary of the Maritime Safety Committee have been separated, the former now having a general competence and the latter being responsible for the technical work; the post of Assistant to the Deputy Secretary-General has been abolished. Secondly, three professional posts have been added to the Technical Division. Thirdly, a new post of head of Legal Affairs has been established. Most of the new posts are necessitated by new technical and legal work arising from the loss of the tanker "Torrey Canyon".

118. The appropriations relating to temporary assistance (excluding staff servicing meetings) show a 40 per cent reduction from \$15,000 in 1967 to \$9,000 in 1968, due to the fact that temporary staff recruited for the printing of publications have been charged against the printing fund (see para. 122 below), to stricter control over engagement of temporary staff, and to greater attention to keeping regular posts filled. The 1968 appropriation for temporary conference staff, at \$99,935, is \$30,115 (or 23 per cent) below the 1967 appropriation of \$130,050. The cost of such staff being directly related to the meetings scheduled for a particular year, the reduction is mainly due to the fact that no regular session of the Assembly is scheduled for 1968. The Advisory Committee has noted that, whereas in previous years provision for temporary assistance for meetings was shown separately from other meeting costs, the 1968 appropriations show the total cost of each meeting in a single figure.

119. The increase in the appropriation for general services is attributable to the increased cost of accommodation (\$95,330 in 1968 as against \$56,500 in 1967).

120. The appropriation also includes a provision of \$600 for participation in the expenses of the joint Inspection Unit.

121. The increase in the appropriation "Other budgetary provisions" is due (a) to the inclusion of \$500 for unforeseen and extraordinary expenses, to give effect to

the recommendation contained in paragraph 41 of the second report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies,^{29/} and (b) to an increase of \$500 in the cost of the external audit.

122. As the Committee indicated in its fourteenth report to the General Assembly at its twenty-first session,^{30/} the IMCO Assembly established a Printing Fund on 1 January 1966, for the production and sale of publications of the organization. Since then revenue accruing from sales has been credited to the Fund, instead of being treated as casual income. The Secretary-General estimates that the printing programme in 1968/69 can be financed from the balance in the Fund and, accordingly, the appropriations for 1968 contain no provision for printing.

J. International Atomic Energy Agency

	<u>1967</u> <u>Appro-</u> <u>priations</u>	<u>1968</u> <u>Estimates</u>
	\$	\$
Personnel services (gross)	7,321,000	7,995,500
General services	795,000	893,000
Special projects and activities	2,497,000	2,655,500
Other budgetary provisions	-	130,000
Expenditure (gross)	10,613,000	11,674,000
<u>Less: Income from staff assessment</u>	<u>1,121,500</u>	<u>1,197,000</u>
Expenditure (net)	9,491,500	10,477,000
<u>Less: Casual revenue</u>	<u>317,500</u>	<u>313,500</u>
Total (net)	<u>9,174,000</u>	<u>10,163,500</u>

123. In the course of its consideration of the budget estimates for 1968, the second year of the biennium 1967-1968, and of related matters, the Advisory Committee had a useful discussion with a representative of the Director-General.

^{29/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

^{30/} Ibid., document A/6522, para. 138.

124. The figures shown above relate to the regular budget of IAEA, which is financed from assessments on member States. In addition, the agency also has an operational budget financed from voluntary contributions in cash, goods and services. The regular budget provides funds for activities which the Statute of the IAEA defines as "administrative". They include meetings of the governing bodies; functional programme activities, such as advisory panels and committees; special missions to member States; seminars, symposia and conferences; distribution of information; research into health, safety and waste management problems and on safeguard matters, and studies on power and research reactors and the application of radio-isotopes in agriculture, hydrology, medicine and industry; the implementation of the Agency's system of safeguards against diversion and the handling and storage of fissionable materials; and such operating costs of the agency's laboratory facilities as are attributable to any of these activities. The operational budget covers all non- "administrative" activities such as the provision of technical assistance to member States in the form of experts, equipment, fellowships, training courses and training facilities; together with expenses incurred in connexion with materials, facilities, plant and equipment relating to non- "administrative" activities.

Summary analysis of the 1968 budget

(a) Regular budget

125. Gross expenditures under the regular budget, in the amount of \$11,674,000, show an increase of \$1,061,000, or approximately 10 per cent over 1967. Net expenditures (\$10,477,000), are \$985,500, or approximately 10.4 per cent, higher than in 1967. Of this increase some 5.4 per cent represents programme expansion, the balance being due to increases in salaries and other costs. The Advisory Committee noted that despite these cost increases and the need for making "other budgetary provisions" in the amount of \$130,000 (for which see paragraph 126 below) the net expenditure estimates for 1968 have been kept within the \$10.5 million total forecast for the second year of the biennium 1967-1968.^{31/}

^{31/} Ibid., para. 140.

126. The Advisory Committee has been informed that the increase under personnel services which amounts to \$674,500 or just over 9 per cent, is due in part to the creation of 55 new posts (including 21 in the professional category) at a net cost of \$241,500, and in part to the need for making increased provision for common staff costs (up \$280,000 or 19.7 per cent, over 1967); the Committee understands that the magnitude of the increase under common staff costs reflects the fact that the 1967 appropriation has proved inadequate because the requirements for Pension Fund contributions, education grant and certain other needs had been underestimated. The Committee noted that the budgetary provision of \$130,000 for contingent extraordinary expenditures relates to the need for allowing for a post adjustment to salaries of staff in the Professional category and above which, in the opinion of the Director-General, will become due in 1968. The amount in question has not been included in the estimates under "salaries and wages" in view of the request by the IAEA Board of Governors to the General Conference that it be allowed to use the additional sum in 1968 in the light of the circumstances then prevailing. It will be recalled in this connexion^{32/} that in 1966 it became necessary for the agency to make a withdrawal from the working capital fund to meet a deficit that arose as a result of increases in staff emoluments during that year. This procedure has been discontinued in order to comply with the recommendations made in the second report by the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies (A/6343, para. 41 et seq.).

127. In its analysis of the agency's budget for 1967,^{33/} the Advisory Committee referred to the abolition of the publications revolving fund and to the utilization of the reserve in that fund (amounting to \$50,000) to reduce the estimate for 1967. The Committee notes that the Board and General Conference of IAEA have decided to insert a provision of \$50,000 in the 1968 estimates for "Distribution of information".

128. The estimates relating to scientific and technical services and laboratory charges amount to \$1,910,000, which is \$199,000 or 11.6 per cent above the 1967 figure. The increase is due to additional expenditures relating to research

^{32/} Ibid., para. 144.

^{33/} Ibid.

contracts, laboratory charges (which are now to be divided between the regular budget and the operational budget in the proportion of 75 per cent to 25 per cent) and the International Laboratory of Marine Radioactivity at Monaco, as well as to the provision of \$50,000 for a joint IAEA/FAO insect pest eradication programme. 129. The provision for common services, equipment and supplies (\$779,000) is \$97,500 or 14.3 per cent above the 1967 figure. The increase is largely attributable to higher communications and rental costs as well as to additional costs relating to computer rental and services.

(b) Operational budget

130. The proposed allocations under the operational budget amount to \$2,430,000, which represents an increase of \$22,000 over the 1967 figure. The agency plans to finance this budget through voluntary contributions (target for 1968 - \$2 million), special contributions for activities such as the International Centre for Theoretical Physics at Trieste and the Monaco laboratory, reimbursements for laboratory services and other casual income. As in previous years the Committee noted a shortfall in voluntary contributions. As at 30 September 1967 pledges for 1968 amounted to 66 per cent (\$1,323,000) of the \$2 million target. The Advisory Committee understands that the shadow of considerable shortfalls in voluntary contributions continues to loom over the technical assistance programme of the IAEA.
