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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

Report of the Advisory Committee on Administrative and Budgetary
Questions to the General Assembly at its twenty-fifth session

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I. 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 1971 of the following specialized agencies, whose agreements with the United Nations provide for transmittal of their budgets for review by the General Assembly: the 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 Advisory Committee has also examined the administrative budget for 1971 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 Committee's consideration 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 chapters II and III of the present report. The Committee has submitted a separate report on certain general co-ordination matters (A/8158).

4. Chapter II, section B, of the present report contains six comparative tables showing:

(a) The levels of the budgets of the various agencies for 1971 and the corresponding figures for the five previous years;

(b) The number of established posts for 1969, 1970 and 1971;

(c) The budgetary provisions for special projects and activities for the same three years;

(d) The working capital funds in 1971;

(e) The 1971 scales of assessment;

(f) The collection of contributions at 30 June and 30 September 1969 and 1970.

5. Chapter III consists of ten sections summarizing individually the 1971 budgets of the 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.

II. ADMINISTRATIVE BUDGETS OF THE AGENCIES

A. General budgetary trends

7. The gross totals of the budgets or budget estimates for the regular activities of the United Nations family of organizations, as reported so far to the Advisory Committee, will amount to approximately \$432.7 million in 1971, compared with \$402.4 million in 1970. This is an increase of \$30.3 million, or 7.53 per cent. The increase of the 1970 budgets over those for 1969 was 8.74 per cent.

8. In addition to the regular budgets, Governments of Member States also 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, 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.

B. Comparative tables

(a) Amount of estimates or approved budgets

9. The combined budget estimates for 1971 of the nine specialized agencies and IAEA amount to \$248.7 million, or \$15.5 million above the 1970 appropriations, representing an increase of 6.63 per cent. Between 1969 and 1970 the rate of growth of the regular budgets of the agencies and IAEA was 9.35 per cent. The above percentages are however not strictly comparable as in some cases they are based on preliminary figures only. Information on the main factors responsible for the increases in the 1971 budgets of individual agencies is given in chapter III below.

10. The following table gives the gross budgets or budget estimates for 1971 of the specialized agencies, IAEA and the United Nations, as well as the 1970 appropriations and actual expenses in 1966, 1967, 1968 and 1969. The seventh and eighth columns show the increases in the 1971 budgets compared with actual expenses in 1969, in dollar and percentage terms, while the ninth and tenth columns compare similarly the 1971 budgets with the appropriations for 1970. In the case of the United Nations, the figure shown for 1971 takes account only of recommendations made by the Advisory Committee up to the date of finalization of this report.

(a) Amount of estimates or approved budgets(In US dollars)

| | <u>1966</u> <u>actual</u> <u>expenses</u> | <u>1967</u> <u>actual</u> <u>expenses</u> | <u>1968</u> <u>actual</u> <u>expenses</u> | <u>1969</u> <u>actual</u> <u>expenses</u> | <u>1970</u> <u>Appropriations</u> | <u>1971</u> <u>Appropriations</u> <u>or estimates</u> | <u>1971</u> <u>Increase</u> <u>by</u> <u>comparison</u> <u>with 1969</u> | <u>1971</u> <u>Percentage</u> <u>increase</u> <u>by</u> <u>comparison</u> <u>with 1969</u> | <u>1971</u> <u>Increase</u> <u>or</u> <u>(decrease)</u> <u>by</u> <u>comparison</u> <u>with 1970</u> | <u>1971</u> <u>Percentage</u> <u>increase</u> <u>or</u> <u>(decrease)</u> <u>by</u> <u>comparison</u> <u>with 1970</u> |
|--|---|---|---|---|--------------------------------------|---|--|---|--|---|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | Per cent | \$ | Per cent |
| ILO | 23,523,903 ^{a/} | 26,498,651 | 29,034,814 | 31,100,689 ^{b/} | 34,254,300 ^{c/} | 36,675,549 ^{d/} | 5,574,860 | 17.93 | 2,421,249 | 7.07 |
| FAO | 27,779,243 | 29,652,268 | 31,697,977 ^{d/} | 36,234,191 | 39,896,900 ^{e/} | 40,533,800 ^{f/} | 4,299,609 | 11.87 | 636,900 | 1.60 |
| UNESCO | 28,577,407 | 32,864,263 ^{g/} | 37,253,838 ^{f/} | 41,799,747 ^{g/} | 44,272,466 ^{g/} | 47,295,500 ^{h/} | 5,495,753 | 13.15 | 3,023,034 | 6.83 |
| ICAO | 7,537,852 | 6,984,326 | 7,604,971 | 7,734,365 ^{i/} | 8,169,554 ^{i/} | 8,514,359 ^{j/} | 779,994 | 10.08 | 344,805 | 4.22 |
| UFO | 1,308,093 | 1,486,251 | 1,539,632 | 2,050,497 | 2,012,083 | 2,162,917 | 112,420 | 5.48 | 150,834 | 7.50 |
| WHO ^{k/} | 48,204,153 | 56,328,664 | 61,071,643 | 68,824,146 | 75,768,176 | 81,774,465 | 12,950,319 | 18.82 | 6,006,289 | 7.93 |
| ITU | 7,015,409 | 6,830,607 | 7,248,006 | 7,708,819 | 8,991,111 ^{k/} | 9,290,037 | 1,581,218 | 20.51 | 298,926 | 3.43 |
| WMO | 1,978,496 ^{l/} | 2,378,532 ^{l/} | 2,628,470 | 3,113,610 | 3,803,224 | 4,018,944 | 905,334 | 29.07 | 215,720 | 5.67 |
| IMCO | 850,261 | 836,766 | 799,795 | 1,234,924 | 1,258,888 | 1,448,106 | 213,182 | 17.27 | 189,218 | 15.03 |
| IAEA | 9,970,804 | 10,432,979 | 11,969,130 | 13,521,456 | 14,837,000 | 17,029,000 | 3,507,544 | 25.95 | 2,192,000 | 14.77 |
| Sub-total (specialized agencies and IAEA) | 156,745,621 | 174,293,307 | 190,848,276 | 213,322,444 | 233,263,702 | 248,742,677 | 35,420,233 | 16.76 | 15,478,975 | 6.63 |
| United Nations | 118,607,969 | 130,489,561 | 141,161,623 | 156,780,541 | 169,155,350 ^{m/} | 183,974,800 ^{n/} | 27,194,259 | 17.34 | 14,819,450 | 8.76 |
| GRAND TOTAL | 275,353,590 | 304,782,868 | 332,009,899 | 370,102,985 | 402,419,052 | 432,717,477 | 62,614,492 | 16.92 | 30,298,425 | 7.53 |

(Foot-notes on following page)

Notes:

1. The following rate of exchange has been used in the above table: Swiss francs 4.32 = \$US1.00
2. Figures include staff costs grossed up to reflect staff assessment, even where organizations budget their staff costs on a net basis; the only exceptions are UPU and IMCO, where staff assessment is neither applied nor computed.

Foot-notes from previous page:

- a/ 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.
- b/ Excluding \$729,849 spent in that year, but met under supplementary credits by withdrawal from the Working Capital Fund, subject to reimbursement by means of an additional assessment in 1971.
- c/ Estimated expenditures for that year from a total budget of \$70,929,849 for the biennium 1970-1971.
- d/ Includes withdrawal of \$127,654 from the Working Capital Fund.
- e/ Appropriation for that year from a total budget of \$80,430,700 for the biennium 1970-1971.
- f/ As of 31 December 1968, gross appropriations for the biennium 1967-1968, including advances from the Working Capital Fund (\$1,500,000) and donations, stood at a total of \$70,120,693, of which \$32,864,263 represented (grossed) expenditures in 1967, and \$37,253,838 (grossed) expenditure in 1968.
- g/ As at 31 July 1970, grossed appropriations for the biennium 1969-1970, including donations (\$57,258), stood at a total of \$86,072,213, of which \$41,799,747 represented actual obligations incurred in 1969, grossed to include staff assessment, and \$44,272,466 grossed appropriations for 1970.
- h/ Portion of the estimate of \$89,898,560 for the biennium 1971-1972.
- i/ Beginning with 1969, excludes the administrative and operational services costs of technical assistance.
- j/ Excluding undistributed reserves: 1966, \$2,615,590; 1967, \$3,448,040; 1968, \$3,742,580; 1969, \$3,940,970; 1970, \$4,363,110; 1971, \$4,738,833.
- k/ ~~In~~cluding additional credits.
- l/ Including an amount of \$271,997 for 1966 and \$517,161 for 1967 as a new development fund for the implementation of a World Weather Watch.
- m/ Including supplementary estimates.
- n/ Initial estimates only.

(b) Established posts

11. The number of established posts authorized or requested under the regular budgets for 1969, 1970 and 1971 is given below:

| <u>Organization</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> | <u>Increase</u> <u>1969-1971</u> | | <u>Increase</u> <u>1970-1971</u> | |
|------------------------------|---------------------|---------------------|---------------------|-------------------------------------|--------------------|-------------------------------------|-----------------|
| | | | | <u>Number</u> | <u>Per cent</u> | <u>Number</u> | <u>Per cent</u> |
| ILO | 1,384 | 1,404 | 1,404 | 20 | 1.45 | - | - |
| FAO | 2,419 | 2,488 | 2,493 | 74 | 3.06 | 5 | 0.20 |
| UNESCO | 1,868 ^{a/} | 1,811 ^{b/} | 1,952 ^{c/} | 84 ^{d/} | 4.50 ^{d/} | 141 | 7.79 |
| ICAO | 542 | 545 | 547 | 5 | 0.92 | 2 | 0.37 |
| UPU ^{e/} | 99 | 108 | 115 | 16 | 16.16 | 7 | 6.48 |
| WHO ^{f/} | 2,979 | 3,099 | 3,167 | 188 | 6.31 | 68 | 2.19 |
| ITU ^{g/} | 395 | 413 ^{h/} | 415 ^{i/} | 20 | 5.06 | 2 | 0.48 |
| WMO ^{j/} | 187 | 205 | 211 | 24 | 12.83 | 6 | 2.93 |
| IMCO | 87 ^{k/} | 106 ^{l/} | 106 ^{l/} | 19 ^{m/} | 21.84 | - | - |
| IAEA ^{n/} | 956 | 1,001 | 1,044 | 88 | 9.20 | 43 | 4.30 |
| Sub-total agencies | 10,916 | 11,180 | 11,454 | 538 | 4.93 | 274 | 2.45 |
| United Nations ^{o/} | 8,328 | 8,420 | 8,566 | 238 | 2.86 | 146 | 1.73 |
| GRAND TOTAL | 19,244 | 19,600 | 20,020 | 776 | 4.03 | 420 | 2.14 |

a/ Actual number, excluding 182 maintenance and security posts and 35 posts of experts working on specific projects away from Headquarters.

b/ Approved number, excluding 196 maintenance and security posts, 74 posts to provide a margin for meeting programme requirements and 35 posts of experts working on specific projects away from Headquarters.

c/ Proposed number, excluding 190 maintenance and security posts, 35 posts of experts working away from Headquarters, and 78 posts to provide a margin for meeting programme requirements.

d/ If account is taken of the margin of 78 posts in 1971, the increase is 158, or 8.8 per cent.

e/ Total number of permanent posts approved under the budget although some are held by temporary staff.

- f/ Excludes posts of interpreters which are charged to the meetings they serve.
- g/ Excludes posts financed under the Technical Co-operation Special Accounts Budget: 54 in 1969, 71 in 1970 and 74 estimated for 1971.
- h/ Excludes additional G-1 to G-5 posts created by the Secretary-General under Administrative Council resolution No. 611.
- i/ Excludes additional G-1 to G-7 posts created by the Secretary-General under Administrative Council resolution No. 666.
- j/ Includes regional office posts.
- k/ Excludes 5 Headquarters posts paid from UNDP funds, but includes 3 General Service posts paid from the Printing Fund.
- l/ Excludes 7 Headquarters posts paid from UNDP funds, but includes 7 General Service posts paid from the Printing Fund.
- m/ Total staff increase, irrespective of origin of funds, is 21.
- n/ Includes regular budget posts attached to the Trieste Centre and the Monaco and Seibersdorf Laboratories.
- o/ Includes manual workers and local posts. The 1971 figure is based on the Secretary-General's initial budget estimates for that year in respect of established posts, adjusted for: (a) the recommendations of the Advisory Committee on Administrative and Budgetary Questions in its first report on the budget estimates for 1971 (Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 8 (A/8008)); and (b) the revised estimates of the Secretary-General (A/C.5/1322 and Corr.1). In addition to the established posts shown for the United Nations, 246 provisional posts were approved for 1970 and 128 requested for 1971.

(c) Special projects and activities

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

(In United States dollars)

| | <u>1969</u> | <u>1970</u> | <u>1971</u> |
|--------|-------------|-------------------------|-------------------------|
| ILO | 2,476,000 | 3,039,950 | 3,805,950 ^{a/} |
| FAO | 1,545,076 | 1,443,500 | 1,488,500 |
| UNESCO | 9,667,310 | 9,781,334 | 10,988,955 |
| ICAO | 210,200 | 162,500 | 150,000 |
| UPU | 156,227 | 185,185 | - |
| WHO | 8,911,444 | 9,525,365 | 10,638,816 |
| ITU | 711,180 | 840,190 | 855,093 |
| WMO | 863,370 | 944,630 | 849,500 |
| IMCO | - | - | - |
| IAEA | 2,703,500 | 1,875,500 ^{b/} | 2,396,800 ^{b/} |

a/ Includes \$700,000 as subsidy to the International Centre for Advanced Technical and Vocational Training (Turin).

b/ The figures for 1970 and 1971 exclude salaries and common staff costs related to operational facilities which in 1969 were shown under special projects and activities.

(d) Working capital funds

13. The following table shows the amounts approved or proposed for the working capital funds in relation to the gross budgets or budget estimates for 1971, and, where appropriate, to the budgets or estimates for the financial periods, together with percentages:

(In United States dollars)

| <u>Agency</u> | <u>1971 Gross budget or budget estimate</u> | <u>Gross budget or estimate for financial period a/</u> | <u>Working capital fund</u> | <u>Percentage of third column to first column</u> | <u>Percentage of third column to second column</u> |
|------------------|---|---|-------------------------------------|---|--|
| ILO | 36,675,549 | 70,929,849 | 3,720,000 | 10.14 | 5.24 |
| FAO | 40,533,800 | 80,430,700 | 4,500,000 | 11.10 | 5.59 |
| UNESCO | 47,295,500 | 100,042,560 ^{b/} | 4,000,000 | 8.46 | 4.00 |
| ICAO | 8,514,359 | 24,418,278 | 800,000 | 9.40 | 3.28 |
| UPU | 2,162,917 | - | c/ | - | - |
| WHO | 81,774,465 ^{d/} | - | 11,000,000 | 13.45 | - |
| ITU | 9,290,037 ^{e/} | - | c/ | - | - |
| WMO | 4,018,944 | 13,564,248 ^{f/} | 472,976 | 11.77 | 3.49 |
| IMCO | 1,448,106 | 2,706,994 | 150,000 | 10.36 | 5.54 |
| IAEA | 17,029,000 | - | 2,000,000 | 11.74 | - |
| United Nations. | 183,974,800 | - | 40,000,000 | 21.74 | - |

a/ The ILO 1970-1971; FAO 1970-1971; UNESCO 1971-1972; ICAO 1969-1971; WMO 1968-1971; IMCO 1970-1971.

b/ Including staff assessment for 1971-1972 estimated at \$10,144,000.

c/ In the case of UPU, the working expenses of the International Bureau are advanced by the Swiss Government. Such advances are repaid from the contributions of member countries due in the year following the year of account. Contributions outstanding at 31 December of this following year carry interest as from that date at 5 per cent per year. 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 at 6 per cent thereafter.

d/ Excluding undistributed reserve.

e/ ITU salaries are budgeted on a net basis. For the purpose of the gross budget, estimates appearing in this table, \$1,088,000 representing staff assessment for 1971 has been added.

f/ Maximum level fixed by the Fifth World Meteorological Congress, not including staff assessment, is \$11,817,000. However, the Congress had authorized that the Executive Committee incur necessary additional expenses arising out of increases in staff salaries. Such additional expenses account for the difference between the maximum level and the figure shown.

(e) Scales of assessments

14. The scales of assessment applied to Member States by the specialized agencies, IAEA and the United Nations are shown in the following table:

| Members ^{a/} | United Nations ^{b/} (per cent) | ILO (per cent) | FAO (per cent) | UNESCO ^{d/} (per cent) | ICAO (per cent) | UPU ^{e/} (per cent) | WHO (per cent) | ITU (per cent) | WMO (per cent) | IMCO ^{f/} (per cent) | IAEA (per cent) |
|---|--|-------------------|--------------------|------------------------------------|--------------------|---------------------------------|-------------------|-------------------|-------------------|----------------------------------|--------------------|
| Afghanistan | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Albania | 0.04 | - | - | 0.04 | - | 0.31 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Algeria | 0.09 | 0.12 | 0.13 | 0.08 | 0.15 | 0.11 | 0.09 | 0.63 | 0.09 | 0.17 | 0.09 |
| Argentina | 0.85 | 1.28 | 1.17 | 0.80 | 0.93 | 2.64 | 0.84 | 3.16 | 1.31 | 0.68 | 0.84 |
| Australia | 1.47 | 1.83 | 1.91 | 1.39 | 2.02 | 2.64 | 1.37 | 3.79 | 1.74 | 0.54 | 1.38 |
| Austria | 0.55 | 0.42 | 0.72 | 0.52 | 0.54 | 0.53 | 0.51 | 0.21 | 0.52 | - | 0.52 |
| Bahrain | - | - | 0.02 ^{g/} | - | - | - | 0.02 | - | - | - | - |
| Barbados | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Belgium | 1.05 | 1.35 | 1.38 | 0.99 | 1.25 | 1.58 | 0.99 | 1.05 | 1.22 | 0.61 | 1.00 |
| Bhutan | - | - | - | - | - | 0.11 | - | - | - | - | - |
| Bolivia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.63 | 0.26 | - | 0.04 |
| Botswana | 0.04 | - | 0.04 | - | - | 0.11 | - | 0.11 | 0.09 | - | - |
| Brazil | 0.80 | 1.23 | 1.12 | 0.75 | 1.12 | 2.64 | 0.80 | 1.05 | 1.31 | 0.74 | 0.81 |
| Bulgaria | 0.18 | 0.19 | 0.23 | 0.17 | 0.18 | 0.53 | 0.16 | 0.21 | 0.35 | 0.43 | 0.16 |
| Burma | 0.05 | 0.09 | 0.08 | 0.05 | 0.13 | 0.31 | 0.05 | 0.21 | 0.26 | 0.18 | 0.05 |
| Burundi | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Byelorussian Soviet Socialist Republic | 0.50 | 0.45 | - | 0.47 | - | 0.53 | 0.46 | 0.21 | 0.52 | - | 0.46 |
| Cambodia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | 0.09 | 0.16 | 0.04 |
| Cameroon | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | 0.16 | 0.04 |
| Canada | 3.08 | 3.36 | 3.80 | 2.91 | 3.65 | 2.64 | 2.72 | 3.79 | 2.62 | 1.36 | 2.73 |
| Central African Republic | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Ceylon | 0.05 | 0.09 | 0.08 | 0.05 | 0.13 | 0.53 | 0.05 | 0.21 | 0.26 | - | 0.05 |
| Chad | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Chile | 0.20 | 0.31 | 0.29 | 0.19 | 0.25 | 0.53 | 0.21 | 0.63 | 0.43 | - | 0.21 |
| China | 4.00 | 2.98 | - | 2.50 | 0.67 | 2.64 | 3.60 | 3.16 | 3.75 | 0.73 | 3.62 |
| Colombia | 0.19 | 0.28 | 0.25 | 0.18 | 0.33 | 0.53 | 0.18 | 0.63 | 0.35 | - | 0.18 |
| Congo (Democratic Republic of) . . | 0.04 | 0.08 | 0.06 | 0.04 | 0.13 | 0.31 | 0.05 | 0.21 | 0.35 | - | 0.05 |
| Costa Rica | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Cuba | 0.16 | 0.26 | 0.24 | 0.15 | 0.19 | 0.31 | 0.17 | 0.21 | 0.26 | 0.28 | 0.17 |
| Cyprus | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Czechoslovakia | 0.90 | 0.92 | 1.16 | 0.85 | 0.82 | 1.58 | 0.83 | 0.63 | 0.96 | 0.19 | 0.83 |

(e) Scales of assessments (continued)

| Members ^{a/} | United Nations ^{b/} (per cent) | ILO (per cent) | FAO (per cent) | UNESCO ^{d/} (per cent) | ICAO (per cent) | UPU ^{e/} (per cent) | WHO (per cent) | ITU (per cent) | WMO (per cent) | IMCO ^{f/} (per cent) | IAEA (per cent) |
|---------------------------------------|--|-------------------|-------------------|------------------------------------|--------------------|---------------------------------|-------------------|-------------------|--------------------|----------------------------------|--------------------|
| Dahomey | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Denmark | 0.62 | 0.70 | 0.78 | 0.58 | 0.70 | 1.05 | 0.56 | 1.05 | 0.70 | 1.64 | 0.56 |
| Dominican Republic | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.63 | 0.09 | 0.17 | 0.04 |
| Ecuador | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.09 | 0.18 | 0.04 |
| El Salvador | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.63 | 0.09 | - | 0.04 |
| Equatorial Guinea | 0.04 | - | - | - | - | - | - | 0.11 | - | - | - |
| Ethiopia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.17 | - | 0.04 |
| Federal Republic of Germany | - | 5.01 | 8.82 | 6.43 | 7.10 | 2.64 | 6.30 | 4.21 | 4.63 | 3.29 | 6.35 |
| Finland | 0.45 | 0.37 | 0.62 | 0.42 | 0.50 | 1.05 | 0.44 | 0.63 | 0.52 | 0.72 | 0.44 |
| France | 6.00 | 6.07 | 7.55 | 5.67 | 6.72 | 2.64 | 5.39 | 6.32 | 4.54 | 2.84 | 5.43 |
| French Overseas Territories | - | - | - | - | - | 0.31 | - | 0.21 | 0.09 ^{g/} | - | - |
| Gabon | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Gambia | 0.04 | - | 0.04 | - | - | - | - | - | - | - | - |
| Ghana | 0.07 | 0.10 | 0.10 | 0.06 | 0.13 | 0.31 | 0.07 | 0.21 | 0.17 | 0.23 | 0.07 |
| Greece | 0.29 | 0.22 | 0.37 | 0.27 | 0.39 | 0.53 | 0.26 | 0.21 | 0.26 | 3.78 | 0.26 |
| Guatemala | 0.05 | 0.08 | 0.06 | 0.05 | 0.13 | 0.31 | 0.05 | 0.21 | 0.09 | - | 0.05 |
| Guinea | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.11 | 0.09 | - | - |
| Guyana | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Haiti | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.14 | 0.21 | 0.09 | 0.16 | 0.04 |
| Holy See | - | - | - | - | - | 0.11 | - | 0.11 | - | - | 0.04 |
| Honduras | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.11 | 0.09 | 0.19 | - |
| Hungary | 0.48 | 0.42 | 0.65 | 0.45 | 0.48 | 1.05 | 0.47 | 0.21 | 0.52 | - | 0.47 |
| Iceland | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | 0.21 | 0.04 |
| India | 1.55 | 2.39 | 2.19 | 1.46 | 1.86 | 2.64 | 1.56 | 2.74 | 2.27 | 1.11 | 1.57 |
| Indonesia | 0.28 | 0.43 | 0.43 | 0.26 | 0.37 | 1.58 | 0.30 | 0.21 | 0.70 | 0.41 | 0.31 |
| Iran | 0.22 | 0.27 | 0.28 | 0.21 | 0.26 | 0.53 | 0.20 | 0.21 | 0.26 | 0.21 | 0.20 |
| Iraq | 0.07 | 0.09 | 0.09 | 0.06 | 0.13 | 0.11 | 0.06 | 0.21 | 0.09 | - | 0.06 |
| Ireland | 0.15 | 0.23 | 0.21 | 0.14 | 0.31 | 1.05 | 0.15 | 0.63 | 0.26 | 0.23 | 0.15 |
| Israel | 0.20 | 0.15 | 0.25 | 0.19 | 0.41 | 0.31 | 0.18 | 0.21 | 0.26 | 0.49 | 0.18 |
| Italy | 3.54 | 2.42 | 4.08 | 3.35 | 3.90 | 2.64 | 2.91 | 2.11 | 2.27 | 3.29 | 2.93 |
| Ivory Coast | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | 0.09 | 0.17 | 0.04 |
| Jamaica | 0.04 | 0.08 | 0.06 | 0.04 | 0.13 | 0.11 | 0.05 | 0.21 | 0.09 | - | 0.05 |
| Japan | 5.40 | 2.82 | 4.76 | 5.10 | 4.10 | 2.64 | 3.40 | 4.21 | 2.27 | 10.45 | 3.42 |

(e) Scales of assessments (continued)

| Members ^{a/} | United Nations ^{b/} (per cent) | ILO (per cent) | FAO (per cent) | UNESCO ^{d/} (per cent) | ICAO (per cent) | UPU ^{e/} (per cent) | WHO (per cent) | ITU (per cent) | WMO (per cent) | IMCO ^{f/} (per cent) | IAEA (per cent) |
|---|--|-------------------|-------------------|------------------------------------|--------------------|---------------------------------|-------------------|-------------------|-------------------|----------------------------------|--------------------|
| Jordan | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Kenya | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Kuwait | 0.08 | 0.09 | 0.09 | 0.07 | 0.14 | 0.11 | 0.06 | 0.21 | 0.09 | 0.35 | 0.06 |
| Laos | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Lebanon | 0.05 | 0.08 | 0.06 | 0.05 | 0.22 | 0.11 | 0.05 | 0.21 | 0.09 | 0.29 | 0.05 |
| Lesotho | 0.04 | 0.08 | 0.04 | 0.04 | - | 0.11 | 0.04 | 0.11 | - | - | - |
| Liberia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | - | 12.50 | 0.04 |
| Libya | 0.07 | 0.08 | 0.04 | 0.06 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Liechtenstein | - | - | - | - | - | 0.11 | - | 0.11 | - | - | 0.04 |
| Luxembourg | 0.05 | 0.08 | 0.06 | 0.05 | 0.13 | 0.31 | 0.05 | 0.11 | 0.09 | - | 0.05 |
| Madagascar | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.09 | 0.18 | 0.04 |
| Malawi | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Malaysia | 0.10 | 0.15 | 0.14 | 0.09 | 0.13 | 0.31 | 0.10 | 0.63 | 0.35 | - | 0.10 |
| Maldives | 0.04 | - | - | - | - | 0.11 | 0.04 | 0.11 | - | 0.17 | - |
| Mali | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Malta | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | - | 0.19 | - |
| Mauritania | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | 0.16 | - |
| Mauritius | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Mexico | 0.88 | 0.76 | 1.10 | 0.83 | 1.01 | 1.58 | 0.78 | 1.05 | 0.87 | 0.34 | 0.79 |
| Monaco | - | - | - | 0.04 | - | 0.11 | 0.04 | 0.11 | - | - | 0.04 |
| Mongolia | 0.04 | 0.08 | - | 0.04 | - | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Morocco | 0.09 | 0.13 | 0.13 | 0.08 | 0.13 | 1.05 | 0.09 | 0.21 | 0.17 | 0.19 | 0.09 |
| Nauru | - | - | - | - | - | 0.11 | - | 0.11 | - | - | - |
| Nepal | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.11 | 0.09 | - | - |
| Netherlands | 1.18 | 1.13 | 1.46 | 1.11 | 1.93 | 1.58 | 1.04 | 1.68 | 1.05 | 2.38 | 1.05 |
| Netherlands Antilles and Surinam | - | - | - | - | - | 0.31 | - | - | 0.09 | - | - |
| New Zealand | 0.32 | 0.47 | 0.45 | 0.30 | 0.43 | 2.64 | 0.32 | 1.05 | 0.52 | 0.24 | 0.33 |
| Nicaragua | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.09 | - | 0.04 |
| Niger | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Nigeria | 0.12 | 0.19 | 0.18 | 0.11 | 0.16 | 0.53 | 0.13 | 0.42 | 0.26 | 0.20 | 0.13 |
| Norway | 0.43 | 0.51 | 0.54 | 0.41 | 0.54 | 1.05 | 0.39 | 1.05 | 0.61 | 8.47 | 0.39 |
| Pakistan | 0.34 | 0.50 | 0.47 | 0.32 | 0.46 | 2.64 | 0.33 | 0.63 | 0.52 | 0.39 | 0.33 |
| Panama | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.11 | 0.09 | 2.43 | 0.04 |
| Paraguay | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.09 | - | 0.04 |

(e) Scales of assessments (continued)

| Members ^{a/} | United Nations ^{b/} (per cent) | ILO (per cent) | FAO (per cent) | UNESCO ^{d/} (per cent) | ICAO (per cent) | UPU ^{e/} (per cent) | WHO (per cent) | ITU (per cent) | WMO (per cent) | IMCO ^{f/} (per cent) | IAEA (per cent) |
|------------------------------------|--|-------------------|--------------------|------------------------------------|--------------------|---------------------------------|-------------------|-------------------|--------------------|----------------------------------|--------------------|
| People's Republic of the Congo . . | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Peru | 0.10 | 0.13 | 0.13 | 0.09 | 0.20 | 0.53 | 0.09 | 0.42 | 0.35 | 0.30 | 0.09 |
| Philippines | 0.31 | 0.37 | 0.43 | 0.29 | 0.42 | 0.11 | 0.30 | 0.21 | 0.52 | 0.55 | 0.31 |
| Poland | 1.41 | 1.24 | 1.85 | 1.33 | 1.36 | 1.58 | 1.32 | 0.63 | 1.22 | 0.81 | 1.33 |
| Portugal | 0.16 | 0.22 | 0.20 | 0.15 | 0.29 | 1.05 | 0.14 | 0.63 | 0.43 | - | 0.14 |
| Portuguese East Africa | - | - | - | - | - | 1.05 | - | 0.63 | 0.17 | - | - |
| Portuguese West Africa | - | - | - | - | - | 1.05 | - | | 0.09 | - | - |
| Qatar | - | - | 0.02 ^{g/} | - | - | .11 | 0.02 | - | - | - | - |
| Republic of Korea | - | - | 0.15 | 0.10 | 0.13 | 1.05 | 0.11 | 0.21 | 0.17 | 0.49 | 0.11 |
| Republic of Viet-Nam | - | 0.09 | 0.09 | 0.06 | 0.13 | 0.31 | 0.06 | 0.21 | 0.26 | - | 0.06 |
| Romania | 0.36 | 0.43 | 0.45 | 0.34 | 0.34 | 1.58 | 0.32 | 0.21 | 0.43 | 0.30 | 0.33 |
| Rwanda | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| San Marino | - | - | - | - | - | 0.11 | - | - | - | - | - |
| Saudi Arabia | 0.07 | - | 0.06 | 0.06 | 0.13 | 0.11 | 0.05 | 0.21 | 0.09 | 0.18 | 0.05 |
| Senegal | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.09 | 0.16 | 0.04 |
| Sierra Leone | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Singapore | 0.05 | 0.08 | - | 0.05 | 0.13 | 0.11 | 0.05 | 0.21 | 0.09 | 0.26 | 0.05 |
| Somalia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | 0.09 | - | - |
| South Africa | 0.54 | - | - | - | 0.65 | 2.64 | 0.47 | 1.68 | 0.87 | - | 0.47 |
| Southern Rhodesia | - | - | - | - | - | - | 0.02 | 0.21 | 0.17 | - | - |
| Southern Yemen | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Spain | 1.04 | 1.04 | 1.16 | 0.98 | 1.19 | 2.64 | 0.83 | 0.63 | 0.96 | 1.51 | 0.83 |
| Spanish Provinces in Africa . . . | - | - | - | - | - | 0.11 | - | 0.21 | 0.09 ^{h/} | - | - |
| Sudan | 0.04 | 0.08 | 0.06 | 0.04 | 0.13 | 0.11 | 0.05 | 0.21 | 0.17 | - | 0.05 |
| Swaziland | 0.04 | - | - | - | - | 0.11 | - | - | - | - | - |
| Sweden | 1.25 | 1.58 | 1.57 | 1.18 | 1.31 | 1.58 | 1.12 | 2.11 | 1.39 | 2.28 | 1.13 |
| Switzerland | - | 1.18 | 1.08 | 0.79 | 1.25 | 1.58 | 0.77 | 2.11 | 1.13 | 0.24 | 0.78 |
| Syria | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | 0.17 | 0.16 | 0.04 |
| Thailand | 0.13 | 0.18 | 0.16 | 0.12 | 0.18 | 0.31 | 0.12 | 0.42 | 0.35 | - | 0.12 |
| Togo | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Trinidad and Tobago | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | 0.09 | 0.17 | - |
| Tunisia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.53 | 0.04 | 0.42 | 0.09 | 0.17 | 0.04 |
| Turkey | 0.35 | 0.49 | 0.44 | 0.33 | 0.34 | 1.58 | 0.31 | 0.42 | 0.52 | 0.44 | 0.32 |

(e) Scales of assessments (continued)

| Members ^{a/} | United Nations b/ (per cent) | ILO (per cent) | FAO (per cent) | UNESCO ^{d/} (per cent) | ICAO (per cent) | UPU ^{e/} (per cent) | WHO (per cent) | ITU (per cent) | WMO (per cent) | IMCO ^{f/} (per cent) | IAEA (per cent) |
|--|------------------------------|----------------|----------------|---------------------------------|-----------------|------------------------------|----------------|----------------|--------------------|-------------------------------|-----------------|
| Uganda | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | 0.04 |
| Ukrainian Soviet Socialist Republic | 1.87 | 1.44 | - | 1.77 | - ^{i/} | 1.58 | 1.73 | 0.63 | 1.66 | - | 1.75 |
| Union of Soviet Socialist Republics | 14.18 | 10.45 | - | 13.41 | - | 2.64 | 13.13 | 6.32 | 10.65 | 6.59 | 13.23 |
| United Arab Republic | 0.18 | 0.28 | 0.25 | 0.17 | 0.29 | 1.58 | 0.18 | 1.05 | 0.52 | 0.26 | 0.18 |
| United Kingdom of Great Britain and Northern Ireland | 5.90 | 9.12 | 8.33 | 5.58 | 8.09 | 2.64 | 5.95 | 6.32 | 6.02 | 10.39 | 5.99 |
| United Kingdom Overseas Territories | - | - | - | - | - | 0.53 | - | 0.21 | 0.09 ^{d/} | 0.23 ^{k/} | - |
| United Republic of Tanzania | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| United States of America | 31.52 | 25.00 | 31.57 | 29.80 | 30.87 | 2.64 | 30.87 | 6.32 | 23.93 | 9.06 | 31.45 |
| United States Overseas Territories | - | - | - | - | - | 1.58 | - | 5.26 | - | - | - |
| Upper Volta | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.11 | 0.09 | - | - |
| Uruguay | 0.07 | 0.12 | 0.11 | 0.06 | 0.13 | 0.31 | 0.08 | 0.21 | 0.35 | 0.21 | 0.08 |
| Venezuela | 0.41 | 0.50 | 0.57 | 0.39 | 0.50 | 0.31 | 0.40 | 0.63 | 0.52 | - | 0.41 |
| Western Samoa | - | - | - | - | - | - | 0.04 | - | - | - | - |
| Yemen | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.11 | 0.04 | 0.21 | - | - | - |
| Yugoslavia | 0.38 | 0.40 | 0.50 | 0.36 | 0.40 | 1.58 | 0.36 | 0.21 | 0.52 | 0.76 | 0.36 |
| Zambia | 0.04 | 0.08 | 0.04 | 0.04 | 0.13 | 0.31 | 0.04 | 0.21 | 0.17 | - | 0.04 |

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/ The new scale of assessments is recommended for 1971-1973 by the Committee on Contributions in its report to the twenty-fifth session of the General Assembly, Official Records of the General Assembly, Twenty-fifth Session, Supplement No. 11 (A/8011 and Corr.1), and Supplement No. 11 A (A/8011/Add.1).

c/ Associate member.

d/ Subject to approval by the sixteenth session of the General Conference. The scale supposes that the member States of UNESCO in 1971-1972 will be the same as at 31 July 1970 and that the percentage of China in 1971-1972 will remain at 2.50 per cent.

e/ Provisional.

f/ 1970 contributions.

g/ French Polynesia 0.09, French Territory of the Afars and Issas 0.09, New Caledonia 0.09.

h/ Spanish Territories of Guinea 0.09.

i/ Not yet determined by ICAO Council.

j/ Bahamas 0.09, British Caribbean Territories 0.09, Hong Kong 0.09.

k/ Hong Kong (associate member).

(f) Collection of contributions

15. The following table shows, for 1969 and 1970, 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:

(In United States dollars)

| | <u>Percentage of current year's contributions collected at</u> | | | | <u>Total of all contributions outstanding at 30 September (regardless of year of account)</u> | |
|------------------------|--|-------------|---------------------|-------------|---|--------------------------|
| | <u>30 June</u> | | <u>30 September</u> | | <u>1969</u> | <u>1970</u> |
| | <u>1969</u> | <u>1970</u> | <u>1969</u> | <u>1970</u> | | |
| | | | | | \$ | \$ |
| ILO | 52.26 | 52.81 | 72.94 | 72.08 | 10,257,751 | 11,758,639 |
| FAO | 43.87 | 39.14 | 77.77 | 74.86 | 6,669,385 | 8,681,157 |
| UNESCO | 17.31 ^{a/} | 65.68 | 30.62 ^{a/} | 77.68 | 52,676,277 | 15,973,294 |
| ICAO | 47.10 | 48.23 | 73.89 | 71.74 | 2,260,549 | 2,613,428 |
| UPU | 50.25 | 49.59 | 57.84 | 57.36 | 544,972 | 726,098 |
| WHO | 41.82 | 35.49 | 65.67 | 64.99 | 21,447,602 ^{b/} | 24,001,964 ^{b/} |
| ITU | 91.06 | 91.33 | 91.82 | 92.78 | 1,734,920 | 1,927,784 |
| WMO | 54.38 | 53.81 | 70.22 | 69.69 | 1,055,468 | 1,159,283 |
| IMCO | 63.84 | 54.44 | 86.30 | 71.95 | 222,206 | 433,546 |
| IAEA | 42.20 | 40.53 | 65.61 | 66.87 | 4,512,721 | 4,704,085 |
| United Nations | 22.22 | 26.60 | 51.93 | 48.77 | 84,896,730 | 99,638,498 |

^{a/} Figures relate to the biennium 1969-1970.

^{b/} Excluding the contributions due from some members (China, South Africa and two inactive members) included in the undistributed reserve.

III. DETAILED COMMENTS ON THE 1971 BUDGETS OF THE AGENCIES

A. INTERNATIONAL LABOUR ORGANISATION

| | <u>1970</u> <u>appropriations^{a/}</u> | <u>1971</u> <u>appropriations^{a/}</u> |
|--|---|---|
| | \$ | \$ |
| Personnel services | 24,641,662 | 25,833,143 |
| General services | 5,454,706 | 5,115,823 |
| Special projects and activities | 3,039,950 | 3,805,950 ^{b/} |
| Other Budgetary provisions | 1,278,682 | 2,081,333 ^{c/} |
| Deduct: required savings ^{d/} | (160,700) | (160,700) |
| TOTAL (gross) | <u>34,254,300</u> | <u>36,675,549</u> |
| <u>Less:</u> Income from staff assessment (estimated) | 3,900,000 | 4,100,000 |
| Other revenue ^{e/} | <u>914,500</u> | <u>914,500</u> |
| TOTAL (net) | <u><u>29,439,800</u></u> | <u><u>31,661,049</u></u> |

a/ Figures based on estimated annual expenditures under the biennial programme and budget for 1970-1971, including additions to be financed by supplementary assessments in 1971.

b/ Includes the amount (\$700,000) of a supplementary budget for 1970-1971 for a subsidy in 1971 to the International Centre for Advanced Technical and Vocational Training (Turin).

c/ Includes \$729,849 as reimbursement to the Working Capital Fund for withdrawals made to meet supplementary expenditures in 1969.

d/ The Governing Body decided in May 1969 that an amount of \$321,400 representing part of the cost of increased salaries and family allowances for general service category staff in Geneva should not be included in the draft programme and budget and requested the Director-General to try to cover it from savings within the programme and budget for 1970-1971. If such savings could not be achieved, the Director-General would submit a proposal for a supplementary credit to the Governing Body at its November 1971 session.

e/ Estimated receipts from the UNDP/TA Special Account.

16. In a separate report to the General Assembly at its twenty-fifth session, the Advisory Committee has examined the administrative and management procedures affecting the programme and budget of the ILO (A/8140); the present report is therefore confined to information specifically related to the programme and budget for 1970-1971, which the Committee discussed with a representative of the Director-General.

Summary analysis of the 1970-1971 budget

17. The International Labour Organisation adopted a biennial programme and budget presentation beginning with the biennium 1970-1971. When approving the programme and budget for that period, in June 1969, the International Labour Conference made no separate appropriation for either year; the budget figures represent estimated annual expenditure under the biennial programme and budget, with additions to be financed by supplementary assessments included in the 1971 figures.

18. Two additional expenditure authorizations for 1970-1971, totalling \$1,429,849, were approved by the Conference in June 1970. A supplementary budget of \$700,000 provides for a cash subsidy in 1971 to the International Centre for Advanced Technical and Vocational Training (Turin), while \$729,849 is for reimbursement to the Working Capital Fund of advances for approved supplementary expenditure in 1969.

19. In its report to the Assembly on the budget of the ILO for 1970, the Advisory Committee has analysed the rate of increase provided for in 1970-1971 and the factors mainly responsible (A/7818, paras. 48-52).

20. Actual expenditure of the ILO in 1969 was \$28,230,538 on a net basis. This figure includes supplementary expenditure of \$729,849 (see paragraph 18 above) required mainly to provide for increases in salary scales for the Professional and higher categories, and for General Service staff in Geneva (the latter as a result of the introduction of a revised methodology for fixing such salaries).

Personnel

21. The number of established posts financed from the regular budget of the ILO for the years 1969-1971 is as follows:

| | <u>1969</u> | <u>1970</u> | <u>1971</u> |
|---|--------------|-------------------|-------------------|
| Professional category and above | 681 | 696 ^{a/} | 696 ^{a/} |
| General Service category | 703 | 708 ^{a/} | 708 ^{a/} |
| TOTAL | <u>1,384</u> | <u>1,404</u> | <u>1,404</u> |

a/ All new posts for the biennium were approved as from 1970; the number of professional posts includes nineteen P-1 posts earmarked for downgrading to the general service category as they become vacant. Six of the nineteen have already been downgraded.

Working Capital Fund

22. Provision is made in the programme and budget for 1970-1971 for two cash payments of \$100,000 each into the Fund in conformity with a recommendation made in November 1967 by a Working Party appointed by the Financial and Administrative Committee of the ILO Governing Body. The Working Party has been reconstituted and is due to meet in November 1970 to review the Fund in the context of the financial position of the Organisation as a whole.

B. FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

| | <u>1970</u> <u>Appropriations^{a/}</u> | <u>1971</u> <u>Appropriations^{a/}</u> |
|---|---|---|
| | \$ | \$ |
| Personnel services | 31,315,900 | 32,528,850 |
| General services | 6,778,500 | 6,039,650 |
| Special projects and activities | 1,443,500 | 1,488,500 |
| Other budgetary provisions | 359,000 | 476,800 |
| | <u>39,896,900</u> | <u>40,533,800</u> |
| <u>Less:</u> Income from staff assessment | 4,809,700 | 5,053,000 |
| Other revenue | 3,344,000 ^{b/} | 3,344,000 ^{b/} |
| | <u>31,743,200</u> | <u>32,136,800</u> |

a/ As derived from the appropriation for the biennium 1970-1971 (\$70,568,000 net of staff assessment).

b/ Estimated income of \$6,688,000 for the biennium consists of a lump-sum allocation of \$4,338,000 from the UNDP/TA Special Account and \$2,350,000 from miscellaneous income.

23. The Advisory Committee had the benefit of a full discussion of the budget of FAO and related questions with a representative of the Director-General.

The budget for 1970-1971, and projections for 1972-1973

24. At its fifteenth session in November 1969, the FAO Conference approved appropriations of \$70,568,000 (net of staff assessment) for the biennium 1970-1971, an increase of \$10,557,000 (or 17.6 per cent) over the adjusted budget for 1968-1969. An analysis of the budget for 1970-1971 is given in the Advisory Committee's report to the General Assembly at its twenty-fourth session on the administrative budgets of the agencies (A/7818, paras. 48-52).

25. As for prospects for 1972-1973, the Advisory Committee was informed that the Director-General had proposed to the Conference that it approve such a budgetary increase so as to provide a 5 per cent expansion in substantive programmes. The Conference finally recommended a "real and substantive" increase which would allow a "reasonable growth" in the organization's activities.

Medium-term planning

26. In its 1969 report to the Assembly on the administrative budgets of the agencies, the Advisory Committee described the main lines of the Director-General's proposals for medium-term activities and programmes, covering the period 1972-1975, which he presented to the Conference for the first time in November 1969 (A/7818, paras. 63 and 64). The Conference approved the principle of medium-term planning or programming, and expressed the view that the Director-General's proposals, especially for 1972-1973 were well selected.

27. The Conference considered, however, that in FAO's work programme in the five "areas of concentration", 1/ and in agricultural development planning insufficient attention was given to the development of human resources. It therefore decided that an Agrarian Reform Committee should be set up to correct this situation. The Advisory Committee understands that no specific provision is made for the work of this Committee (estimated to cost \$100,000 of FAO funds in addition to financial support expected from outside sources) in the 1970-1971 budget, but that the Director-General intends to finance it from savings.

28. With the aim of improving the programme-building and budget-building process in FAO, the fifteenth session of the Conference decided that the Director-General's proposals for medium-term activities and programmes should be submitted in 1970 to the regional conferences, which would have the opportunity of forwarding their observations and recommendations to the FAO Council; the Council would take them into account when formulating its own recommendations to the Conference on the programme and budget for 1972-1973. The Advisory Committee was informed that co-ordination between the work of the regional conferences and that of the regional economic commissions of the United Nations is improving; it hopes that the situation will be reviewed periodically by the Director-General and that the importance of such co-ordination will not be lost on Governments participating in the regional conferences and in the legislative organs of FAO.

Conference policy on adjustments to approved programme

29. The practice of making adjustments to the approved programme after a session of the Conference, in order to accommodate suggestions and recommendations for expanded activities, was discussed at the fifteenth session of the Conference following expressions of concern by both the Programme and the Finance Committees of FAO. The Conference endorsed the opinion of the FAO Council that the approved Programme of Work and Budget should be considered "first priority for implementation" and that additional proposals recommended by the Conference (subject to the availability of savings) should not be considered before the end of the first year of the biennium so that only "genuine savings" arising in that year would be so applied. At the same time, the Conference urged the need for some flexibility on the part of the Director-General.

Introduction of programme budgeting

30. The Advisory Committee was interested to note that, in accordance with a decision of the fifteenth Conference, the Director-General plans to present his

1/ Mobilization of human resources; increasing yields; the protein problem; war on waste; earning and saving foreign exchange.

budget estimates for 1972-1973 on a programme basis. It understands that the concept of programme budgeting as envisaged by the Director-General corresponds to that advocated by Inspector Maurice Bertrand of the Joint Inspection Unit in his report on "Programming and budgets in the United Nations family of organizations" (A/7822, annex). Thus, a programme would be defined as all the work done by FAO on a specific activity capable of definition and quantification, and would not necessarily correspond to an organizational unit. The budget document would show the resources allocated for each specific activity (broken down into sub-programmes) while an object-of-expenditure breakdown, similar to the present format of the FAO budget, would be annexed for information purposes. While the programmes and sub-programmes making up the budget would not correspond to the classifications used by the Administrative Committee on Co-ordination (ACC), the Advisory Committee was informed that they could be easily grouped in such a way as to make them fully compatible.

31. The Advisory Committee intends to follow closely the development by FAO of its programme-budgeting technique.

Senior agricultural advisers/FAO country representatives

32. It will be recalled that, when reporting last year on the administrative budgets of the agencies (A/7818, para. 57), the Advisory Committee expressed doubts as to the desirability or timeliness of the arrangement entered into between UNDP and FAO for the joint financing of a corps of fifty-five "senior agricultural advisers/FAO country representatives". The Committee understands that the Administrator of UNDP has asked a consultant to evaluate the effectiveness of the arrangement and to make suggestions on possible alternatives, taking into account the decisions of the Governing Council of UNDP at its tenth session in June 1970.

Organizational changes

33. The responsibility for central programme formulation in FAO is vested in the Programme Formulation Unit, whose head now reports to the Assistant Director-General in charge of the Development Department; formerly this Unit and the Budget Branch constituted a Division. The Budget Branch has become part of a new Office of the Controller, reporting to the Assistant Director-General in charge of Administration and Finance. The Advisory Committee notes the intention of the Director-General to assign to the Programme Formulation Unit increasing responsibilities for evaluation of FAO activities.

34. The Committee was informed that major units having operational responsibilities are being equipped with "key management centres", which will handle support functions such as budget and certifying, personnel, procurement, computer systems and network planning and control. This and other administrative innovations recommended by a firm of management consultants in 1969 are being financed by savings (estimated at some 100 posts in the biennium 1970-1971) arising from the establishment of secretarial pools.

Personnel questions

35. The 1970-1971 programme and budget provides for an increase from 2,419 to 2,493 in the regular budget establishment of FAO. The breakdown by category for each of the years 1969, 1970 and 1971 is as follows:

| <u>Category</u> | <u>1969</u> | <u>1970^{a/}</u> | <u>1971^{a/}</u> |
|----------------------------------|--------------|--------------------------|--------------------------|
| Professional and above | 856 | 913 | 915 |
| General services | <u>1,563</u> | <u>1,575</u> | <u>1,578</u> |
| TOTAL | <u>2,419</u> | <u>2,488</u> | <u>2,493</u> |

a/ Most staff increases authorized under the 1970-1971 budget will become effective as from 1970.

36. The Advisory Committee inquired into the personnel problems in FAO. It was informed that the Director-General has appointed a working party to review recommendations made on general service salaries, and a staff/management relations committee.

37. The Committee notes that a task of the staff/management relations committee will be to look into facilities for in-service training for FAO staff. It was informed that the Director-General places importance on refresher courses as a means of improving the value to the Organization of its personnel.

38. The Advisory Committee understands that one of the findings of the working party on General Service salaries is that the salary scale in Rome should be completely revised. It trusts that, should such a change be put into effect, care would be taken to avoid undue divergence from the common system as it is applied in other cities where headquarters offices are located.

39. The Advisory Committee was informed that two 5 per cent wage index adjustments have been granted to General Service staff so far in 1970, as a result of upward pressures on wages in Rome, and that a further increase may be expected before the end of the year. To help cover the cost of the increases already in effect (estimated at about \$1.15 million for the biennium), the Director-General has found it necessary to draw in 1970 on the reserve provision of \$496,000 included in the budget for 1970-1971 to cover factors such as salary increases, but intended for use in 1971. To the extent that the over-all cost of wage and salary increases in 1970-71 cannot be met from the reserve provision or from savings, it will be necessary to draw on the Working Capital Fund.

Accommodation

40. In its report to the General Assembly at its twenty-third session on the administrative and management procedures concerning the programme and budget

of FAO 2/ the Advisory Committee dealt in some detail with the accommodation difficulties of FAO in Rome; it was informed that no significant developments have taken place since the preparation of that report.

2/ Official Records of the General Assembly, Twenty-third Session, agenda item 80, document A/7354, paras. 399-411.

C. UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

| | <u>1970</u> | <u>1971</u> |
|--|------------------------------------|---------------------------|
| | <u>Appropriations^{a/}</u> | <u>Proposed estimates</u> |
| | \$ | \$ |
| Personnel services | 23,433,592 | 25,854,535 |
| General services | 9,119,878 | 9,345,710 |
| Special projects and activities | 9,781,334 | 10,988,955 |
| Other budgetary provisions | 1,937,662 | 1,106,300 |
| TOTAL (gross) | <u>44,272,466</u> | <u>47,295,500</u> |
| Less: Income from staff assessment | 4,338,100 | 5,043,200 |
| Other revenue | 2,988,029 | 4,291,780 |
| TOTAL (net) | <u><u>36,946,337</u></u> | <u><u>37,960,520</u></u> |

a/ Gross appropriations of \$86,014,955 approved for the biennium 1969-1970, less actual obligations for 1969.

41. The Advisory Committee discussed the 1971-1972 budget of UNESCO and related matters with representatives of the Director-General.

Summary analysis of the budget

42. At the sixteenth session of the UNESCO General Conference (October-November 1970), the Director-General is presenting a Draft Programme and Budget for 1971-1972 calling for gross expenditure of \$89,898,560. ^{3/} Taking into account miscellaneous income, the net amount to be contributed by member States would be \$81,315,000.

43. On a gross basis, the estimates for 1971-1972 are higher by \$12,485,060, or about 16.1 per cent, than the appropriations approved for the preceding biennium, 1969-1970. However, if the former are recosted to take account of wage and other cost increases occurring in 1969 and 1970, and the devaluation of the French franc, the difference is reduced to \$6,878,322, or about 8.3 per cent; this represents the amount available in the draft programme and budget for additional activities during the forthcoming biennium.

^{3/} Although a gross figure in most respects, this amount includes wage and salary costs on a net basis. See UNESCO document 16 C/5, introduction, para. 64.

44. The following table shows the draft expenditure estimates for 1971-1972 by budget part, along with those for 1969-1970 as approved and as recosted, and the increases in absolute and percentage terms, compared with the recosted levels: ^{4/}

| <u>Part of Budget</u> | <u>1969-1970</u> | | <u>1971-1972</u> <u>Estimates</u> | <u>1971-1972</u> <u>Increase over</u> <u>1969-1970</u> <u>Recosted</u> | |
|--|-------------------------------|-------------------|--------------------------------------|---|-----------------|
| | <u>Approved</u> ^{a/} | <u>Recosted</u> | | <u>\$</u> | <u>per cent</u> |
| I - General Policy | 1,368,684 | 1,486,466 | 1,652,550 | 166,084 | 11.2 |
| II - Programme Operations and Services | 46,282,646 | 50,011,103 | 54,499,042 | 4,487,939 | 9.0 |
| III - General Administration and Programme Support- ing Services | 12,449,122 | 13,318,343 | 13,395,499 | 77,156 | 0.6 |
| IV - Documents and Publica- tions Services | 5,567,078 | 5,913,376 | 6,394,000 | 480,624 | 8.1 |
| V - Common Services | 6,191,047 | 6,319,789 | 7,200,297 | 880,508 | 13.9 |
| <u>TOTAL (Parts I - V)</u> | <u>71,858,577</u> | <u>77,049,077</u> | <u>83,141,388</u> | <u>6,092,311</u> | <u>7.9</u> |
| VI - Capital Expenditure | 3,617,261 | 3,617,261 | 4,403,272 | 786,011 | 21.7 |
| VII - Appropriation Reserve | 1,937,662 | 2,353,900 | 2,353,900 | - | - |
| <u>GRAND TOTAL</u> | <u>77,413,500</u> | <u>83,020,238</u> | <u>89,898,560</u> | <u>6,878,322</u> | <u>8.3</u> |

^{a/} Adjusted for comparability.

45. The principal increases in absolute terms occur under Parts II, IV, V and VI, although there is also a significant relative increase under Part I, arising in part from a proposal to establish a second post of Deputy Director-General of UNESCO (see paragraph 52 below). In Part II, which alone accounts for more than half the budget, the increase at headquarters is due in part to the projected addition of 102 new posts (forty-six Professional, fifty-six General Service) for substantive work in the main sectors of UNESCO's responsibilities, particularly education and communication. The increase in Part IV is explained in large part by the introduction of Arabic as a working language of the General Conference, the proposed strengthening of UNESCO's language and related staff in the Bureau of Documents and Publications, and the preparation of a computerized mailing and subscription service for publications and documents. The principal reasons for the increased estimate under Part V are additional maintenance costs associated with the new UNESCO building in Paris (building No. 5) (up \$528,500) and higher

^{4/} Salaries and wages calculated net of staff assessment.

costs for computer rental and the purchase of ancillary equipment (up \$239,335). Under Part VI, which is devoted to the amortization of costs for the construction and alteration of buildings, additional expenditure would arise in 1972 should the Conference decide, as proposed by the Director-General, that amortization of loans for the sixth building begin in that year (see paragraphs 63 and 64 below).

46. No separate appropriation is made in UNESCO for each year of the biennium. However, it is proposed that, of the global net budget of \$81,315,000, slightly less than \$38 million, or about 47 per cent, would be spent in 1971, as indicated in the introductory table. Thus the proposed estimate for 1971 exceeds projected expenditure for 1970, on a net basis, by \$1,014,183. There are increases of \$2,420,943 for Personnel services, \$1,207,621 for Special projects and activities and \$225,832 for General services; on the other hand, other budgetary provisions are reduced by \$831,362. The increase from about \$7.3 million to \$9.3 million in estimated revenue is due partly to increased contributions expected from UNDP for the cost of executing projects, partly to a higher estimate for staff assessment income, and partly to a more favourable outlook for miscellaneous income items.

47. The increase for personnel services arises partly from the proposed addition of new staff (see paragraph 59 below) and partly from higher estimates for such items as temporary assistance, overtime and certain staff allowances. Under the heading of "Special projects and activities", the Director-General estimates an increase of about \$726,000 for field missions and about \$775,000 for grants-in-aid and subventions. The Advisory Committee was informed that the Director-General has invited the Joint Inspection Unit to examine the institutes to which UNESCO has made grants-in-aid. As for subventions to non-governmental organizations, it understands that the Director-General considers them of considerable indirect benefit to UNESCO and favours an increase in the amounts involved, along with greater use of arrangements by which such organizations would do specific work for UNESCO on a contractual basis.

48. The Committee noted that the estimate of \$673,265 for travel of staff on official business (listed under General services) is about 75 per cent higher than the appropriation for 1970; it understands that the increase is related to the greater emphasis placed by the Director-General on inspections by headquarters staff of the expanding field activities of UNESCO.

49. The requirements listed in the introductory table as "Other budgetary provisions" correspond to payments into the appropriation reserve, which may be used, with the prior approval of the Executive Board, to finance "statutory" increases in staff costs and in the cost of goods and services due to rises in prices during the biennium.

Proposed organizational changes in UNESCO

50. The Director-General is proposing a number of organizational and administrative changes affecting both headquarters and field units of UNESCO. One is the elevation and expansion of the Division of Management and Data Processing (which prior to April 1970 reported to the Assistant Director-General for Administration) to an Office of Management and Data Processing as one of the three offices constituting the services of the Director-General. Another is the establishment of an Office of Prospective Studies and Pre-Programming, also as part of the Services of the Director-General, to advise him on the general objectives

of UNESCO programmes and on the inclusion of new areas of activity. The Advisory Committee understands that this new unit would have a staff of three Professionals and would be concerned with general concepts rather than with the immediate problems of programme-building and budget-building.

51. The Director-General also proposes to elevate the Division for the Preservation and Development of the Cultural Heritage to the status of a department, in view of UNESCO's increasing activities in this area.

52. A further major proposal in the draft programme and budget for 1971-1972 is the creation of a second post of Deputy Director-General. The Director-General indicates his intention to make one of his deputies responsible for supervising execution of UNESCO's programme (including activities financed from extra-budgetary sources) and the other responsible for assisting the Director-General in short-term and medium-term forecasting and programming, once again for all sources of financing. The Advisory Committee is pleased to note that the Director-General recognizes the interdependence of budgetary and extra-budgetary activities and the need to integrate them to the maximum extent possible in a unified programme, a subject to which it devoted some attention in its 1967 report on the administrative and management procedures of UNESCO. 5/

53. In the field, the Director-General proposes to abolish the posts of UNESCO Chiefs of Mission, which were inaugurated in 1961-1962 and which numbered twenty in 1969. In the introduction to his Draft Programme and Budget for 1971-1972, he explains that the evolution of UNESCO's field activities, and in particular the needs of country programming, call for specialized technical services which the Chiefs of Mission are unable to supply. At headquarters, country programming responsibilities, under the direct guidance of the Director-General, will be shared by the Division of Relations with member States and a number of more technical units, such as the Division of Educational Planning and Administration, the Division of Science Policy and the Cultural Policy Section. At the country level, the Director-General proposes to name technical advisers for education, science, culture and communication, who, unlike the Chiefs of Mission, would be specialists in their respective fields; they would be appointed "as consultants at the highest policy level to the government authority responsible for a sector as a whole, be it education, science, culture or communication".6/ Provision is also made in the Draft Programme and Budget for 1971-1972, on an experimental basis, for the secondment to UNESCO by member States for an average of three years of young administrative civil servants to work in fairly high-level posts, with a view to improving their capacities and broadening their experience and their knowledge of the fields of UNESCO's competence. Additionally, in order to facilitate mobility between field posts and posts at headquarters, the Director-General proposes the creation at headquarters of seven temporary "reserve positions" at the P-4 level to which staff leaving field posts could be appointed pending reassignment.

54. The Advisory Committee is not in a position to evaluate at this time the usefulness of the organizational and administrative changes described in the above paragraphs; it intends, however, to keep the situation under review, and hopes that - should all his proposals be implemented - the Director-General would find

5/ Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 80, document A/6905.

6/ UNESCO document 16 C/5, introduction, para. 107.

it possible during the coming biennium to offer his own appraisal of their impact on the work of UNESCO. In particular, the Committee believes that experience will quickly reveal whether the proposals to add to the number of offices directly responsible to the Director-General have had the desired effect.

Long-term planning

55. At the sixteenth session of the UNESCO General Conference, the Director-General will present his first long-term outline plan, which covers a six-year period (1971-1976 inclusive), that is, three budgetary periods. The Advisory Committee notes that the Director-General has found it difficult to present a true outline plan, as requested by the General Conference at its fifteenth session, because of the absence in UNESCO of a specialized planning unit (see paragraph 50 above). Thus, the document opens with a statement of general hypotheses which the Director-General proposes should be considered by the Conference, while even the main elements of the proposed programme are presented as options on which the Director-General feels "the need to consult the General Conference before presenting a sketch programme and in order to be able to present it". 7/

56. Thus the Director-General envisages the main purpose of the document to be to bring about discussion at the Conference, on the basis of which a firmer plan or outline plan could be presented to the seventeenth session of the Conference in 1972.

57. The Advisory Committee notes that the Director-General has suggested an average rate of growth of 7 per cent for parts I to V of the budget (that is, excluding the provisions for capital expenditure and the appropriation reserve) for each of the biennia 1973-1974 and 1975-1976. The greatest percentage growth - in the neighbourhood of 10 per cent - would be for education and science, while other programmes would grow less rapidly: at about 8 per cent each biennium for social sciences, human sciences and culture, and for communications, and at about 6 per cent for international standards, relations and programmes. Such supporting functions as general policy, administration, documents and publications and common services would be subject to a lower growth rate, in the order of 5 per cent.

58. The Advisory Committee hopes that, on the basis of discussion at the sixteenth session of the General Conference, the Director-General will be able to present in 1972, in conjunction with the draft programme and budget for 1973-1974, a clear plan of action for UNESCO in the period 1973-1978.

Staff

59. The Director-General has proposed the addition of 129 posts at headquarters during 1971 and a further twenty-four during 1972. The following table shows how they would be allocated:

7/ UNESCO document 16 C/4, introduction, para. 5.

Increases over 1970 approved establishment

| <u>Budget Part</u> | <u>In 1971</u> | | <u>In 1972</u> | |
|---|---------------------|------------------------|---------------------|------------------------|
| | <u>Professional</u> | <u>General Service</u> | <u>Professional</u> | <u>General Service</u> |
| Part I - General policy | 1 | 1 | - | - |
| Part II - Programme operations and services | | | | |
| Education | 12 | 13 | 4 | 2 |
| Natural sciences and their application to development | 9 | 5 | 2 | 4 |
| Social sciences, human sciences and culture | 6 | 12 | 4 | - |
| Communications | 5 | 18 | 2 | 2 |
| International standards | 1 | - | 1 | - |
| Part III - General administration and programme supporting services | 7 | 28 | 3 | (6) |
| Part IV - Documents and publications services | 7 | 4 | 1 | 5 |
| <u>Total</u> | 48 | 81 | 17 | 7 |
| <u>Grand Total</u> | | 129 | | 24 |

60. On the other hand, the abolition of the Chiefs of Mission (see paragraph 53 above) will reduce the field establishment by a total of forty-two posts in 1971-1972 (twenty Professional, twenty-two General Service); however the Director-General intends to add thirty field posts (twenty-three Professional, seven General Service) in other areas, for example to provide for the technical advisers mentioned in paragraph 53 and for strengthening the regional offices. The net reduction in field staff would thus amount to twelve.

61. The following table sets out the number of established posts financed from the regular budget, by category, for the three biennia covering the period 1967-1972 inclusive:

| | <u>1967-1968</u> <u>actual</u> | <u>1969-1970</u> <u>approved</u> | <u>1971-1972</u> <u>proposed</u> |
|------------------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Professional and above | 727 | 747 | 828 |
| General service | 1,039 | 1,064 | 1,124 |
| TOTAL | <u>1,766^{a/}</u> | <u>1,811^{b/}</u> | <u>1,952^{c/}</u> |

- a/ Excluding sixty-four posts to provide a margin for meeting programme requirements, in accordance with the 1967-1968 appropriation resolution.
- b/ Excluding seventy-four posts to provide a margin for meeting programme requirements, in accordance with the 1969-1970 appropriation resolution, and thirty-five posts of experts working on specific projects away from headquarters.
- c/ Excluding seventy-eight posts to provide a margin for meeting programme requirements, in accordance with the terms of the 1971-1972 draft appropriation resolution.

62. The Advisory Committee notes that, according to the draft programme and budget for 1971-1972, the funds earmarked for staff training and welfare during 1971 show an increase of \$56,344 or 42 per cent over the 1970 appropriation.

Headquarters premises

63. According to the Draft Programme and Budget for 1971-1972, an amount of \$4,403,272 would be required for the repayment of loans for the three initial headquarters buildings, the amortization of the building costs of the fourth, fifth and proposed sixth buildings and the renovation and remodelling of the headquarters premises. This is 21.7 per cent more than the amount appropriated for capital expenditure in 1969-1970. In the introduction to the Draft Programme and Budget, the Director-General calls attention to the "very heavy burden on the Organization's budget" of capital expenditure, but expresses the hope that by 1982 - that is, when UNESCO may have solved the question of its permanent headquarters premises - all loans will have been repaid with the exception of the original loan from the French Government, on which payments are due to continue until 1991. 8/

64. The Advisory Committee notes that one factor influencing UNESCO's space requirements is that the Organization provides accommodation for the permanent representatives of member States, at a proposed annual rental charge of \$38.50 per square metre (\$3.58 per square foot).

8/ UNESCO document 16 C/5, para. 78 and 79.

Productivity of meetings

65. The Advisory Committee was pleased to note from the Director-General's introduction to his Draft Programme and Budget for 1971-1972 that he proposes during 1971-1972 to embark on an analysis of the machinery, methods and conditions required to improve the productivity of meetings. It believes that such an analysis might prove of value not only to UNESCO but to other organizations which devote significant resources to meetings.

Electronic data processing

66. The Director-General's Draft Programme and Budget for 1971-1972 includes an amount of \$399,000 for electronic data processing in 1971-1972, that is, about \$240,000 more than the appropriation for 1969-1970; the increase is due primarily to the need to pay for rental of a computer for the full two years, as against only six months in the current biennium. In addition to the above costs, which are almost exclusively equipment costs, an appropriation of \$513,355 is proposed for staff and related costs of the Office of Management and Data Processing, referred to in paragraph 50 above, about \$93,000 more than was appropriated for the existing Division of Management and Data Processing in 1969-1970. Thus the total cost to UNESCO of electronic data processing activities in the coming biennium would be in excess of \$917,000.

67. The Advisory Committee understands that the Director-General is considering whether it might be financially advantageous to UNESCO to buy its computer, rather than to rent it. It hopes that UNESCO will pay due attention to the possible implications - immediate and long-term - of the establishment in Geneva of a common computer installation for organizations in the United Nations system. In the Committee's view, the considerable financial outlay involved in the purchase of the computer would have to be considered in relation to the expected pace of technical developments which could open up direct access to a common facility situated in Geneva, despite its distance from UNESCO headquarters in Paris.

68. As for the question of the computer configuration planned by UNESCO and provided for the Draft Programme and Budget for 1971-1972, the Advisory Committee notes that according to the report of the Auditor General of Canada on electronic data processing in the United Nations family of organizations,^{9/} which was commissioned by the Secretary-General in his capacity as Chairman of Administrative Committee on Co-ordination, it is suitable for UNESCO's needs.

^{9/} A.M. Henderson, "Electronic data processing in the United Nations family of organizations" (Ottawa, Canada: Auditor General of Canada, 1970), vol. II p. A-7.

D. INTERNATIONAL CIVIL AVIATION ORGANIZATION

| | <u>1970</u> <u>Appropriations</u> \$ | <u>1971</u> <u>Appropriations</u> \$ |
|---|--|--|
| Personnel services | 6,377,702 | 6,523,992 |
| General services | 1,131,202 | 1,192,217 |
| Special project and activities | 162,500 | 150,000 |
| Other budgetary provisions | 498,150 | 648,150 |
| TOTAL (gross) | 8,169,554 | 8,514,359 |
| <u>Less:</u> Income from staff assessment | 1,120,054 | 1,163,000 |
| Other revenue | 329,500 | 330,359 |
| TOTAL (net) | 6,720,000 | 7,021,000 |

69. The Advisory Committee discussed the budget for 1971 and other related matters with a representative of the Secretary-General of the International Civil Aviation Organization (ICAO).

Summary analysis of the budget

70. The ICAO observes a three-year budget cycle, 1971 being the closing year of the triennium 1969-1971. The sixteenth session of the Assembly of ICAO, held in 1968, voted a gross appropriation of \$8,514,359 for 1971, an increase of \$344,800, or 4.2 per cent, over the 1970 appropriation. The following table provides a comparison of the three constituent budgets of the triennium, broken down by budget parts:

(In United States dollars)

| <u>PART</u> | <u>1969</u> \$ | <u>1970</u> \$ | <u>1971</u> \$ |
|------------------------------------|-------------------|-------------------|-------------------|
| I Meetings | 167,750 | 200,750 | 293,550 |
| II The Secretariat | 6,668,565 | 6,892,630 | 7,178,995 |
| III General Services | 847,616 | 832,254 | 816,044 |
| IV Equipment | 99,200 | 70,270 | 64,620 |
| V Other provisions | 121,350 | 73,650 | 61,150 |
| VI Special Training Fund | 100,000 | 100,000 | 100,000 |
| TOTAL (gross) | 8,004,481 | 8,169,554 | 8,514,359 |

Increases in 1971

71. There is an increase of \$301,000 in the 1971 net appropriation, compared with that for 1970. The major increases are for personnel services (up \$146,290) and other budgetary provisions (up \$150,000). There is an increase of \$61,015 for general services and a decrease of \$12,500 for other budgetary provisions. Income is estimated at \$43,805 more than in 1970, almost entirely due to expected higher staff assessment income.

72. The increase under personnel services is accounted for mainly by the addition of two new posts (\$22,000), normal salary adjustments (\$88,000) and temporary assistance for meetings (\$35,000). Under general services, there is an increase of \$28,200 for travel in connexion with meetings and \$30,900 for travel of staff on home leave. The increased appropriations related to meetings are due to an enlarged meetings programme, and notably to the triennial assembly due to take place in 1971. The larger appropriation for home leave arises from the higher number of entitlements in ICAO in odd-numbered years.

73. The increase of \$150,000 for other budgetary provisions represents a contingency provision for projected increases in General Service salaries at ICAO headquarters in Montreal and post adjustment for Professional staff.

74. The Advisory Committee was informed that about 74 per cent of the increase in the 1971 budget, compared with that for 1970, is due to the higher cost of maintaining the same level of activity, and about 26 per cent to programme expansion (mainly for additional meetings).

Personnel

75. The creation of the two new posts (one Professional, one General Service) referred to in paragraph 72 above will bring the number of established posts financed from the regular budget of ICAO to 547 in 1971 as authorized by the sixteenth session of the Assembly. This figure comprises 207 Professional and higher category staff and 340 General Service staff. Growth of staff during the triennium 1969-1971 is as follows:

| <u>Category</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> |
|----------------------------------|-------------|-------------|-------------|
| Professional and above | 204 | 206 | 207 |
| General Service | 338 | 339 | 340 |
| TOTAL | <u>542</u> | <u>545</u> | <u>547</u> |

76. It is the policy of the Council of ICAO to maintain the proportion of non-career Professional personnel - that is, those holding fixed-term contracts - at a minimum of 25 per cent of the Professional establishment. This applies particularly in technical fields where rapid change makes it desirable, in the view of the Council, to bring in new staff acquainted with the most modern trends.

Technical assistance - administrative and operational services costs

77. The administrative and operational services costs relating to the technical assistance activities of ICAO have been excluded from the regular budget as from 1969. The net cost of these activities is estimated at \$634,800 for 1971; comparable costs for 1970 and 1969 were \$623,300 (estimated) and \$598,880, respectively.

78. The ICAO is executing agency for the following projects under the Special Fund component of United Nations Development Programme:

| | <u>Special Fund allocation a/</u> \$ | <u>Government counterpart contribution</u> \$ | <u>Total</u> \$ |
|--|---|--|--------------------|
| Afghanistan | 1,109,900 | 3,305,091 | 4,414,991 |
| Chile | 1,393,800 | 2,127,500 | 3,521,300 |
| Congo (Democratic Republic of) . . . | 1,252,279 | 2,666,281 | 3,918,560 |
| East African Common Services Organization | 922,597 | 1,949,100 | 2,871,697 |
| Iraq | 216,500 | 38,611 | 255,111 |
| Lebanon | 2,226,063 | 2,338,414 | 4,564,477 |
| Lebanon - Phase II | 1,229,341 | 2,436,800 | 3,666,141 |
| Morocco | 542,454 | 1,721,320 | 2,263,774 |
| Nigeria | 2,012,593 | 5,224,273 | 7,236,866 |
| Thailand | 1,663,530 | 1,656,800 | 3,320,330 |
| Tunisia | 1,170,711 | 1,905,225 | 3,075,936 |
| | <u>13,739,768</u> | <u>25,369,415</u> | <u>39,109,183</u> |

a/ Including agency costs.

Working Capital Fund

79. As reported by the Advisory Committee in 1969 (A/7818, para. 95), the level of the Working Capital Fund has been maintained at \$800,000 for the triennium 1969-1971. The Advisory Committee was informed that there have been occasional borrowings from the Fund in 1970 to meet cash needs, but that the flow of current income - that is, mainly assessed contributions from member States - very largely meets current expenses. The Fund is fully invested. It will be recalled (A/7818, para. 95) that the ICAO Assembly has directed the Council to report to the next major session of the Assembly (1971) on the adequacy of the level of the Fund in the light of experience gained during the current triennium.

80. The Advisory Committee inquired into whether difficulties have arisen in ICAO by virtue of the fact that three annual budgets are approved triennially, and that the budget for the last year of each triennium must therefore be implemented long after its approval. It was informed that new programme requirements arising subsequent to approval of the budget - for example, as a result of technological developments - can usually be met by invoking article 5.2 of the Financial Regulations of ICAO, which grants the Council authority to approve additional appropriations up to \$100,000 in the first year of the triennium, and up to \$150,000 in each of the remaining two years, for certain unavoidable expenditures. (Under the same article, the Council may also approve limited additional appropriations for certain "urgent new projects" related to the safe, regular, efficient and economical operation of international air services, and for expenditures directly reimbursable from outside sources.)

Accommodation

81. The Advisory Committee was informed that discussions have taken place with the Government of Canada on proposals for a new headquarters building for ICAO in Montreal, and that the situation has been studied by a working group. The building would be erected by a private developer and ICAO would lease its premises, with the aid of a rental subsidy by the Canadian Government.

E. UNIVERSAL POSTAL UNION

| | <u>1970</u> estimates \$ ^{a/} | <u>1971</u> estimates \$ ^{a/} |
|---|--|--|
| Personnel services | 1,312,731 ^{b/} | 1,413,102 ^{b/} |
| General services | 514,167 | 749,815 |
| Special activities and projects | 185,185 | - |
| Other budgetary provisions | - | - |
| TOTAL (gross) | <u>2,012,083</u> | <u>2,162,917</u> |
| <u>Less:</u> Casual revenue | <u>251,343</u> | <u>369,028</u> |
| TOTAL (net) | <u><u>1,760,440</u></u> | <u><u>1,793,889</u></u> |

a/ At 4.32 Swiss francs to \$US1.

b/ Net; UPU does not use a staff assessment system.

Summary analysis of the budget

82. The estimates for 1971 show an increase of \$150,834 (651,600 Swiss francs) on a gross basis over those for 1970, and \$33,449 (144,500 Swiss francs) on a net basis. The budgets for both years have been kept within ceilings set by the Sixteenth Universal Postal Congress (Tokyo, 1969) for net expenditure in those years: 7,800,000 Swiss francs (\$1,805,555) for 1970 and 7,878,000 Swiss francs (\$1,823,611) for 1971.

83. There are gross increases in 1971 under Personnel services (\$100,371, or 433,600 Swiss francs) and under General services (\$235,648, or 1,018,000 Swiss francs). The former increase is due to normal salary increments and to a proposal, which is subject to review by the Executive Council of UPU in May 1971, to add seven new posts. The increase under General services is largely accounted for by a provision in 1971 for repayment of the first instalment on a loan from the Swiss Confederation for the construction of the new UPU administrative building in Bern. The loan, in a maximum amount of 19,520,000 Swiss francs (\$4,518,500) at 3 per cent interest is repayable in equal annual instalments over forty years.

84. No budget provision is shown for 1971 under "Special activities and projects", since the Sixteenth Congress decided to abolish the "extraordinary" budget of UPU, which was formerly entered under that heading; the expenditure which appeared under the "extraordinary" budget is now included in the regular

budget. The item of 800,000 Swiss francs (\$185,185) for "Special activities and projects" in 1970 was a provision for one-time costs related to the new building.

85. There is an increase in 1971 of \$117,385 (507,100 Swiss francs) in expected revenue, compared with 1970. Part of the increase is due to expected revenue from renting to third parties premises in the new building not occupied by UPU. Other revenue items are the sale of publications, repayment by UNDP of the overhead costs of technical co-operation projects carried out by the Union and reimbursement of the costs of translation services provided by the International Bureau or secretariat of UPU.

Expenditure in 1968 and 1969

86. Actual gross expenditure of UPU in 1968 amounted to 5,651,210 Swiss francs (\$1,539,632) and, in 1969, to 8,858,146 Swiss francs (\$2,050,497); the relatively large increase in 1969 was partly due to costs associated with the holding in that year of the Sixteenth Universal Postal Congress.

Arrangements for financing UPU activities

87. In its report to the General Assembly at its twenty-fourth session (A/7818, para. 105), the Advisory Committee indicated that UPU did not make use of a working capital fund to finance its operations pending the receipt of contributions, as the necessary funds were advanced interest-free for one year by the Swiss Confederation, but that a change in that procedure was envisaged and a proposal under which member States would pay their contributions in advance had been submitted to the Sixteenth Universal Postal Congress in 1969. The Advisory Committee has been informed that that proposal was not adopted. Therefore, the arrangements for financing the Union's activities remain unchanged.

F. WORLD HEALTH ORGANIZATION

| | <u>1970</u> <u>appropriation^{a/}</u> \$ | <u>1971</u> <u>appropriation^{a/}</u> \$ |
|---|--|--|
| Personnel services | 51,242,020 | 55,059,742 |
| General services | 14,389,591 | 15,567,207 |
| Special projects and activities | 9,525,365 | 10,638,816 |
| Other budgetary provisions | 611,200 | 508,700 |
| | <hr/> | <hr/> |
| TOTAL (gross) | 75,768,176 | 81,774,465 |
| <u>Less:</u> Income from staff assessment ^{a/} | 8,118,176 ^{b/} | 8,544,465 ^{b/} |
| Other revenue | 2,315,000 | 2,268,624 |
| | <hr/> | <hr/> |
| TOTAL (net) | <u>65,335,000^{c/}</u> | <u>70,961,376^{c/}</u> |

a/ These figures exclude the undistributed reserve (\$4,363,110 for 1970 and \$4,738,833 for 1971) and tax reimbursement (\$168,690 for 1970 and \$291,300 for 1971).

b/ The revised 1970 estimate for staff assessment exceeds the amount appropriated by the twenty-second World Health Assembly by \$344,466. The necessary adjustment is shown in the column for 1970; however, it will be applied as a credit to members' assessments in 1971.

c/ WHO regards the gross total less income from staff assessment as its "total effective working budget". This is \$67,650,000 for 1970 and \$73,230,000 for 1971.

88. The Advisory Committee had the benefit of a full discussion of the budget of WHO for 1971 and related matters with the Assistant Director-General of the organization. It calls attention to its separate report submitted to the General Assembly at its twenty-fifth session on the administrative and management procedures concerning the programme and budget of WHO (A/3031).

Budget appropriations for 1971

89. The twenty-third World Health Assembly (May 1970) appropriated a total of \$86,857,764 for the financial year 1971. This sum consists of \$73,230,000 for the effective working budget, \$4,738,833 as undistributed reserve (equalling the assessments on inactive members, China and South Africa), and \$8,888,931 for staff assessment. The effective working budget is greater by \$5,580,000 or 8.25 per cent, than that for 1970.

General order of magnitude for the budget for 1972

90. The twenty-third Assembly also recommended that, as a general orientation in preparing his proposed programme and budget estimates for 1972, the Director-General propose an increase in the programme such as to entail a budget increase of about 10 per cent. This is subject to the absence of unusual or unforeseen developments calling for additional resources, and to the proviso that the budgetary results of any decisions by other organs of the United Nations system, over which WHO does not exercise control but with which it is expected to comply, shall be added to the general order of magnitude. The Advisory Committee understands that, in the view of the Director-General, a budget increase of between 4 and 5 per cent would be necessary in 1972 solely to provide for increased costs, assuming no expansion of activities by WHO.

Presentation of the budget

91. In response to a request by the twenty-second Assembly, the Director-General of WHO included in his programme and budget estimates for 1971 an appendix providing comparisons by appropriation section and by subject headings for a three-year period 1969-1971, together with a tentative projection for 1972. The Advisory Committee recalls that the latter was requested as a first step towards the eventual implementation by WHO of biennial programming (A/7813, para. 125). In his projection for 1972, the Director-General has arrived tentatively at a figure of \$79 million for the effective working budget, that is, 7.3 per cent more than the approved figure for 1971.

Summary analysis of the 1971 budget

92. The following table sets out in comparative form the component parts of the effective working budgets for 1970 and 1971, that is, budget parts I - IV:

| <u>Part</u> | <u>1970</u> | <u>1971</u> | <u>Increase (decrease)</u> | |
|------------------------------|---------------------------------------|--|----------------------------|-----------------|
| | <u>appropri-</u> <u>tion</u> \$ | <u>appropria-</u> <u>tion</u> \$ | <u>\$</u> | <u>Per cent</u> |
| I. Organizational meetings | 821,800 | 904,834 | 83,034 | 10.10 |
| II. Operating programme | 62,047,596 | 67,368,053 | 5,320,457 | 8.58 |
| III. Administrative services | 4,169,404 | 4,443,413 | 279,009 | 6.69 |
| IV. Other purposes | 611,200 | 508,700 | (102,500) | 16.77 |
| TOTAL | <u>67,650,000</u> | <u>73,230,000</u> | <u>5,580,000</u> | <u>8.25</u> |

93. By far the largest increase (\$5,320,457) occurs in Part II, Operating programme, which itself constitutes almost 92 per cent of the effective working budget. Of this amount \$4,887,383 is for programme activities, including \$3,637,017 for field projects and \$963,554 for headquarters. Requirements for regional offices show an increase of \$422,074. Most of the increase in Part III,

Administrative services, is due to salary increments and other staff entitlements. The decrease of \$102,500 under Part IV, Other purposes, results mainly from a decision of the twenty-third World Health Assembly to transfer to Section 4 of the budget (Programme activities) an appropriation of \$100,000, which the Director-General had originally proposed for WHO's Revolving Fund for Teaching and Laboratory Equipment and which the Director-General had recommended be postponed to provide in part for the financing of the International Drug Monitoring Project in 1971.

Staff

94. The 1971 budget estimates for WHO provide for sixty-eight new posts under the regular budget: thirty-six for field activities, twelve for regional offices and twenty for headquarters in Geneva; of the latter, eighteen are for programme activities and two for administrative services. The following table indicates the growth of regular budget staff since 1966 at headquarters, in regional offices and for field activities:

| | <u>1966</u> | <u>1967</u> | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Headquarters | 1,002 | 1,065 | 1,098 | 1,107 | 1,124 | 1,144 |
| Regional offices | 500 | 506 | 518 | 530 | 533 | 545 |
| Field activities | 1,106 | 1,200 | 1,243 | 1,342 | 1,442 | 1,478 |
| TOTAL | <u>2,608</u> | <u>2,771</u> | <u>2,859</u> | <u>2,979</u> | <u>3,099</u> | <u>3,167</u> |

The above figures do not include posts of interpreters, which are charged to the meetings which they serve.

95. Of the 3,167 regular posts provided for in 1971, 1,808 are for internationally recruited staff (Professional category and above) and 1,359 for locally recruited staff. Information on posts financed from sources outside the regular budget is provided in the table below (see paragraph 97).

96. The Advisory Committee was pleased to note that with the aim of encouraging high calibre staff to join and to remain with WHO, the Director-General is somewhat expanding staff training, including refresher courses for Professional, technical and administrative personnel.

Other funds directly or indirectly administered by WHO

97. In addition to its regular budget, WHO administers directly or indirectly other funds from various sources: the Voluntary Fund for Health Promotion, UNDP funds-in-trust, and, in the Americas, funds of the Pan-American Health Organization (PAHO). The following table shows the number of posts financed or to be financed from these sources, and the amounts available, or estimated to be available, for 1969, 1970 and 1971; figures for the regular WHO budget are also given for purposes of comparison:

| Source of funds | Number of posts | | | Obligations | Estimates | |
|--|-----------------|--------------------------------------|--------------------------------------|-------------------------|--|--|
| | 1969 | 1970 | 1971 | 1969 | 1970 | 1971 |
| | | | | \$ | \$ | \$ |
| Regular WHO budget | 2,979 | 3,099 | 3,167 | 61,686,546 | 67,650,000 | 73,230,000 |
| Voluntary Fund for Health Promotion | 55 | 37 ^{a/} 13 ^{b/} | 13 ^{a/} 27 ^{b/} | 1,943,052 ^{a/} | 3,320,945 ^{a/} 3,289,921 ^{b/} | 1,359,396 ^{a/} 4,709,371 ^{b/} |
| United Nations Development Programme: | | | | | | |
| (i) Technical Assistance component ^{c/} | 287 | 275 | 244 | 7,824,392 | 8,817,852 | 8,133,752 |
| (ii) Special Fund component | 73 | 88 | 86 | 5,251,668 | 8,899,058 | 6,819,269 |
| Funds-in-trust | 140 | 92 | 90 | 1,460,812 | 1,981,032 | 1,600,706 |
| PAHO: | | | | | | |
| (i) Regular PAHO budget | 773 | 786 | 797 | 12,144,534 | 14,227,120 | 15,820,557 |
| (ii) Other funds of PAHO | 327 | 303 | 286 | 4,504,874 | 5,101,685 | 3,508,821 |
| Special account for servicing costs | 48 | 60 | 63 | 613,860 | 849,357 | 920,962 |
| TOTAL | 4,682 | 4,740 13 ^{b/} | 4,746 27 ^{b/} | 95,410,238 | 110,847,049 3,289,921 ^{b/} | 111,393,463 4,709,371 ^{b/} |

a/ Programmes to be implemented from funds available in the Fund as at 31 December 1969.

b/ Programmes which can be implemented only to the extent that additional voluntary contributions are forthcoming.

c/ The amounts shown for 1969 relate to that part of the UNDP Technical Assistance component approved for health projects. The amounts for 1970 and 1971 are tentative.

98. Furthermore, the United Nations Children's Fund (UNICEF) has indicated that, in 1971, it may be in a position to provide about \$15,770,000 for health projects jointly assisted by UNICEF and WHO. In 1969 and 1970, the Executive Board of UNICEF allocated \$15,641,807 and \$15,772,833, respectively, for this purpose.

Working Capital Fund and Real Estate Fund

99. The Working Capital Fund for 1971 was established at a level of \$11 million by the twenty-third World Health Assembly, which requested the Executive Board to review the Fund at its first session in 1971.

100. In its report to the General Assembly on the administrative and management procedures concerning the programme and budget of WHO (A/8031, para. 84), the Advisory Committee has referred to the Director-General's proposal to establish a "Real Estate Fund" in WHO in place of the "Revolving Fund for Real Estate Operations". The Committee notes that, since the preparation of that report, the twenty-third World Health Assembly has adopted the Director-General's proposal (resolution WHA 23.14). The assets and liabilities of the former Revolving Fund are to be transferred to the new Fund, which is also to be credited with receipts of rentals, and to be built up gradually by the use of available casual income. In the same resolution the Assembly adopted the recommendation of the Executive Board (A/8031, para. 85) to the effect that replenishments of and increases in the Fund shall be made by appropriations by the Assembly from casual income, voted separately from the budget appropriation.

101. In a separate resolution (resolution WHA 23.15) the Assembly decided to appropriate to the Fund \$3 million, financed by \$1,333,665 of miscellaneous income available at 31 December 1969, \$537,921 of cash in the Assembly Suspense Account at 30 April 1970, and \$1,128,414 from the surplus of Part II of the Working Capital Fund 10/ on 1 January 1971. It also authorized the Director-General to transfer from the Fund to the Headquarters Building Fund the amounts necessary to cover additional payments to the contractor for the main works to the headquarters building (resolution 23.18). The Advisory Committee notes that these additional payments, amounting to somewhat more than 3 million Swiss francs (\$695,000) arise from a settlement arrived at following the submission of claims by the contractor and counter-claims by WHO.

102. The Advisory Committee has reported in detail on the accommodation situation of WHO in its separate report to the Assembly devoted to that Organization (A/8031). It notes that, since that report was prepared, the World Health Assembly has authorized the Director-General to acquire suitable land in Geneva for an extension of WHO premises (resolution WHA 23.17). In another resolution, the Assembly expressed its "continuing concern" that the necessary additional land be acquired as quickly as possible, "since this is the requisite first step toward the planning of additional office accommodation for headquarters" (resolution WHA 23.7). Furthermore, the Assembly authorized the Director-General to proceed with proposed construction at Brazzaville of additional housing for staff of the Regional Office, and of an extension to the Regional Office building in that city (resolution WHA 23.16).

Long-term planning

103. Under article 28(g) of its Constitution, WHO follows a "general programme of work" approved by the World Health Assembly, generally covering a period of five years. The twenty-third Assembly, in resolution WHA 23.59, decided to extend by one year, through 1972, the current fourth general programme of work (1967-1971), and deemed it necessary to prepare the fifth programme for the period 1973-1977 inclusive. The Assembly further deemed it necessary

"to proceed to the extent possible to prepare long-term projections and forecasts of the work of the Organization covering a more protracted period, with due regard to the forecast of scientific, technological,

10/ For a description of the Fund, see A/8031, para. 58.

social and economic development up to the end of the twentieth century being prepared by a number of countries and international organizations, also to the desirability of defining the most probable lines of development of medical research and practice and the possible role of the Organization in resolving major world health problems in the future".

The Assembly asked the Executive Board, in preparing the fifth general programme, to consider whether it might be desirable to devote more attention to standards, and to consider machinery for formulating and discussing proposals related to long-term projections and forecasts of the work of WHO.

104. The Advisory Committee notes with interest the concern of the Assembly with respect to the establishment of guidelines for future work beyond those embodied in its normal five-yearly programmes.

Co-ordination

105. The Advisory Committee noted that a report prepared by the Executive Board of WHO on co-ordination with the United Nations and the specialized agencies was submitted to the twenty-third World Health Assembly. ^{11/} The Assembly concurred in the Board's finding that such co-ordination had proved "a necessary means for the Organization to fulfil its own aims and to contribute effectively to the attainment of the common objectives of the United Nations system" (resolution WHA 23.25). It requested the Director-General to continue his participation in co-ordination arrangements within the system.

106. The Advisory Committee was informed that the machinery for co-ordination is placing an increasing burden on WHO, notably for participation in meetings and for the preparation of documentation. It noted the view of the Executive Board and Health Assembly that co-ordination should be regarded as a means to an end, and not as an end in itself. This is a view with which the Advisory Committee agrees, the aim of co-ordination clearly being to ensure that the activities of each member of the United Nations system take into account what all the others are doing. While sharing the Director-General's concern lest co-ordination activities lead to a situation of diminishing returns, the Committee considers it essential that the efforts to harmonize more completely the activities of the organizations in the United Nations system be pursued, preferably in such a way as to minimize administrative complication.

107. The attention of the Advisory Committee has been called to World Health Assembly resolution 23.40, in which the Assembly requested the Director-General to continue his efforts to prevent the proliferation of unco-ordinated health activities and to ensure the leading role of WHO in the field of health.

Methods of work of the World Health Assembly

108. The twenty-third World Health Assembly amended the Assembly's rules of procedure in order to facilitate its work. Thus the two main Committees of the Assembly - the Committee on Programme and Budget and the Committee on Administration,

^{11/} WHO, Official Records of the World Health Organization, No. 181, annex 4.

Finance and Legal Matters - were replaced by Committee A and Committee B. Committee A deals predominantly with programme and budget matters, and Committee B likewise predominantly with administrative, financial and legal matters; however, the Assembly was authorized by the amendment to allocate items on its agenda to the two main committees in such a way as to provide "an appropriate balance of work between them". The Advisory Committee understands that the basic aim of the amendment was to enable more flexibility in the allocation of agenda items, and thus to avoid the tendency which had become apparent for the workload of the programme and budget committee to exceed considerably that of the other main committee. The new arrangements were put into effect at the twenty-third World Health Assembly and the Advisory Committee was informed that, in the view of the Director-General, they worked well. The Advisory Committee understands that the new procedures will be reviewed by the Executive Board at its next session in January 1971.

Financial reports and accounts

109. In its report to the General Assembly at its twenty-fourth session on the budget of WHO for 1970, the Advisory Committee drew attention to a request by the World Health Assembly that the Executive Board of WHO consider the desirability and feasibility of setting up a group of representatives of member States to "consult with the external auditor on his examination of the financial and administrative procedures of WHO" (A/7818, para. 123). In a resolution adopted at its forty-fifth session (EB45.R14), in January 1970, the Board considered that such an arrangement would not be "compatible with the professional requirements of the External Auditor and the maintenance of independence in his responsibility solely to the World Health Assembly". The Assembly concurred in that conclusion in its resolution WHA 23.38.

110. In response to a request by the twenty-second Assembly, the external auditor included in his report on the accounts for 1969 substantive comments on the administration and management of WHO, in particular on computer processing of the payroll and on the use made of voluntary contributions. The twenty-third Assembly requested that, in future reports, the external auditor submit more detailed comments on administrative and management matters (resolution WHA 23.5).

G. INTERNATIONAL TELECOMMUNICATION UNION

| | <u>1970 revised</u> <u>appropriations</u> \$ ^{a/} | <u>1971</u> <u>estimates</u> \$ ^{a/} |
|--|--|---|
| Personnel services | 5,839,467 ^{b/} | 5,961,574 ^{b/} |
| General services | 1,264,352 | 1,377,268 |
| Special projects and activities | 840,190 | 855,093 |
| Other budgetary provisions | 8,102 | 8,102 |
| TOTAL (gross) | <u>7,952,111</u> | <u>8,202,037</u> |
| <u>Less:</u> Miscellaneous revenue | <u>1,780,711</u> | <u>1,830,220</u> |
| TOTAL (net) | <u><u>6,171,400</u></u> | <u><u>6,371,817</u></u> |

a/ Converted at the rate of 4.32 Swiss francs = \$US 1.

b/ Excluding staff assessment, since ITU salaries are budgeted on a net basis. Staff assessment is estimated at \$1,039,000 for 1970 and \$1,088,000 for 1971.

Additional credits for 1970

111. Additional credits for 1970 amounting to 759,500 Swiss francs (\$175,810) gross were approved by the Administrative Council of ITU at its twenty-fifth session (1970). They are intended to cover the cost of changes in the conditions of employment under the United Nations common system, estimated at 475,000 Swiss francs (\$109,953); to provide for additional expenditure on short-term temporary staff (mainly for conferences and meetings), estimated at 217,000 Swiss francs (\$50,231); and to cover other expenditure, estimated at 67,500 Swiss francs (\$15,626).

Summary analysis of 1971 budget

112. The ITU adopts three separate budgets: a regular budget, a Technical Co-operation Special Accounts Budget, and a Supplementary Publications Budget. The following table compares the 1970 appropriations of each budget with the 1971 estimates:

| | <u>1970 revised</u> <u>appropriations</u> \$ ^{a/} | <u>1971</u> <u>estimates</u> \$ ^{a/} |
|---|--|---|
| Regular budget | 6,186,967 | 6,382,292 |
| Technical Co-operation Special Accounts Budget | 924,954 | 964,653 |
| Supplementary Publications Budget . . . | 840,190 | 855,092 |
| | <u>7,952,111</u> | <u>8,202,037</u> |
| TOTAL (gross) | | |

a/ At the rate of 4.32 Swiss francs = US\$ 1.

113. The budgets for 1971, as a whole, show a 3.14 per cent increase on a gross basis over the revised appropriations for 1970. The regular budget has increased by 3.16 per cent, the Technical Co-operation Special Accounts Budget by 4.29 per cent and the Supplementary Publications Budget by 1.78 per cent.

114. The increase in the regular budget is due to the addition of two Professional posts and to a provision for some General Service posts, 12/ as well as to costs arising from the planned World Administrative Radio Conference for Space Telecommunications, due to take place in 1971. In the Technical Co-operation Special Accounts Budget, the increase is occasioned by the addition of three new established posts and supernumerary staff. The increase in the Supplementary Publications Budget is expected to be fully compensated by higher income from the sale of documents, publications and related material.

115. Under the terms of Additional Protocol I to the International Telecommunication Convention (Montreux, 1965), the Administrative Council approves the regular budget of the Union within certain limits. These limits for 1971 are:

(a) For the Administrative Council and recurrent headquarters expenditure (budget sections 1 to 6): 20,400,000 Swiss francs (\$4,722,222);

(b) For expenditure on conferences and meetings (sections 7, 8 and 10): 4,810,000 Swiss francs (\$1,113,425).

However, certain expenses are considered outside these limits, and credits for conferences and meetings which were not used in previous years may be carried forward; thus the actual limits to be observed in 1971 are 24,274,000 Swiss francs (\$5,618,981) in respect of sections 1 to 6, and 6,459,300 Swiss francs (\$1,495,207) in respect of sections 7, 8 and 10. The 1971 estimates are within these limits.

Increases in personnel

116. The 1971 estimate for Personnel Services shows an increase of \$122,107 (gross) over the 1970 revised appropriation. This is accounted for by the five additional posts mentioned in paragraph 114 above, two under the regular budget, three under

12/ See para. 116 below.

the Technical Co-operation Special Accounts Budget), by a provision for posts in the General Service category which the Secretary-General may create, 13/ and by the increased requirements for temporary staff for conferences and meetings.

117. The Administrative Council of ITU has fixed the number of posts to be charged to the regular budget for 1971 at 415, and the number charged to the Technical Co-operation Special Accounts Budget at seventy-four. This total of 489 posts is exclusive of General Service posts which the Secretary-General is authorized to create. The number of posts in 1969 and 1970, including those created by the Secretary-General, was 449 and 484, respectively.

Other aspects of the 1971 budget

118. The 1971 estimate for "General services" shows a gross increase of \$112,916, most of which is for meetings and conferences, including the World Administrative Radio Conference referred to in paragraph 114 above. The estimate shown under "Special projects and activities" corresponds to the Supplementary Publications Budget.

119. Miscellaneous revenue for 1971 is expected to exceed the estimate for 1970 by about \$50,000, based on an expected higher contribution by UNDP towards the administrative and operational services costs of technical co-operation programmes and the expected increase in income from the sale of publications, documentation and related material referred to in paragraph 114.

Financing the 1971 budget

120. The net budget of ITU is financed principally from contributions by (a) members and associate members and (b) private agencies, scientific or industrial organizations and international organizations which participate in its work. For 1971 the amount to be contributed by members and associate members has been set at 26,125,000 Swiss francs (\$6,047,454), made up of 475 units of 55,000 Swiss francs each (\$12,731); the number of units is that which members and associate members have agreed to contribute. The amount to be provided by the second category of contributors has been set at 1,316,250 Swiss francs (\$304,687), made up of 175 1/2 units of 7,500 Swiss francs each (\$1,736). The balance required to finance the 1971 budget, amounting to 85,000 Swiss francs (\$19,676) is to be provided by withdrawals from the ITU reserve account and from other funds.

Electronic data processing

121. When it reported to the General Assembly at its twenty-fourth session on the administrative and management procedures concerning the programme and budget of ITU, 14/ the Advisory Committee traced the history of ITU's use of electronic data processing equipment and its plans for the future. In particular, the Committee noted that the Administrative Council of ITU, at its twenty-fourth

13/ Under the authority provided by Administrative Council resolution No. 666.

14/ Official Records of the General Assembly, Twenty-Fourth Session, agenda item 81, document A/7765, chapter VIII.

session (1969), had adopted a resolution in which, inter alia, it instructed the Secretary-General to take measures to achieve optimum performance from the existing computer, and to "assess the requirements for computer service with the assistance of the Co-ordination Committee and to conduct a detailed study of the possible alternatives to meeting the computer needs including preparation of cost and benefit analyses".

122. In its comments on that decision, the Advisory Committee drew attention to Economic and Social Council resolution 1455 (XLVII), in paragraph 2 of which the Council considered that, pending eventual decisions on common computer facilities, member organizations should not commit themselves to establishing or expanding their own facilities, except where justified in the short term as a measure of economy or to meet urgent programme needs. In the same paragraph, the Council considered that the Advisory Committee on Administrative and Budgetary Questions "should be given the opportunity to comment on such plans at the appropriate stage".

123. Since the preparation of the Advisory Committee's report on ITU, there have been important developments affecting the concept of computer use within the United Nations system. In 1969 and 1970, at the request of the Secretary-General acting in his capacity as Chairman of the Administrative Committee on Co-ordination, the Auditor General of Canada made a detailed study of electronic data processing facilities and needs of the organizations. In his report, submitted in May 1970 15/, he proposed the creation of a separate facility in Europe which would provide data processing, systems and information services on an inter-organizational basis. This proposal was subsequently accepted by ACC.

124. Furthermore, at its forty-ninth session (July 1970), the Economic and Social Council, noting the decision of ACC, endorsed in principle the idea of a central facility in Geneva - subject to further consideration at its resumed forty-ninth session - and expressed the opinion that its establishment "will make it possible for the specialized agencies concerned to stabilize their computer equipment at present levels" Economic and Social Council resolution 1551 (XLIX). Proposals by the Secretary-General for the establishment of an interagency computer facility in Geneva are before the General Assembly at its twenty-fifth session (A/C.5/1305 and A/3003/Add.2).

125. In his report, the Auditor General of Canada analysed the existing computer facilities of the agencies - including ITU - and their future needs. He noted that ITU was considering changing to a computer of substantially greater speed and capacity than the existing model (a UNIVAC model 1050). While his central proposal for a common facility in Europe was intended to permit individual organizations to retain and even expand their existing facilities, he recommended that, should agreement be reached on the installation of the common facility, ITU "reconsider its plans and weigh the advantages which would accrue from use of the new facility". He expressed the belief that

15/ A.M. Henderson, "Electronic data processing in the United Nations family of organizations", vol. I, "A concept for effective growth and utilization" (A/8072, annex).

"appropriate and satisfactory arrangements" for the use of the facility by ITU could be made, and that the opportunities it would afford to ITU in carrying out its substantive responsibilities were "far superior to any that the Union could achieve through acquisition of an economically justified computer of its own". 16/ In arriving at these conclusions, the Auditor General of Canada acknowledged the statutory nature of ITU's obligations to its Members for data processing, and recognized that the safeguard and accuracy of the records which ITU has been entrusted with maintaining are instrumental in the protection of the sovereign rights of the members.

126. The Advisory Committee has been informed by the Secretary-General of ITU that, at its twenty-fifth session (May/June 1970), the Administrative Council adopted a further resolution on the Union's computer requirements, to the effect that the existing computer should be replaced by a new one. Resolving that ITU should have a computer "suitable for its purposes and under its management which should be fully operational by 1 January 1973", the Council instructed the Secretary-General of ITU to invite international public tenders for the lease of the equipment, and to select a model within a maximum annual rental limit of 800,000 Swiss francs (about \$185,000). At the same time, the Council noted the possibility that a common United Nations computer centre might be established, and resolved that the new computer should be leased "for a period and under the conditions permitting adaptation to developments of the Union's requirements, computer technology and adaptation with the possible United Nations system". Further, the Secretary-General was instructed to continue co-ordination with consultative bodies of the United Nations system in the development of common standards related to computers, and to ensure that ITU's plans and those of other organizations "be in harmony, taking into account the facilities which may become available if and when a Common United Nations Computer Centre is established". 17/ The Advisory Committee has been informed that the decision of the Administrative Council reflects its view that, given ITU's statutory obligations and the services it must render to its members, the Union must, for reasons of security, have a computer under its own direct management, operated by staff accountable to it. It understands that the Council's action followed lengthy study by the secretariat of ITU, and was taken in the knowledge of the views expressed by the Auditor General of Canada and the possibility that a common computer facility might be established in Geneva. It was influenced by the unsatisfactory operation and other technical difficulties experienced with its present computer.

127. The Advisory Committee recognizes that by its decision the Administrative Council has indicated its interest in a common approach to computer use and has left open the question of its ultimate participation in the proposed common centre in Geneva. Indeed, the Committee understands that ITU will continue to have recourse to other facilities for computer work not suited to its own machine. On the other hand, the Council did not accept the recommendations of the Auditor General of Canada, nor the wishes expressed by the Economic and Social Council in its resolution 1455 (XLVII). The Advisory Committee noted that the Council's resolution was adopted at a time when the whole question of the organizations' use

16/ Ibid., para. 169.

17/ Administrative Council resolution No. 679.

of computer facilities was under consideration in a number of bodies. In the view of the Advisory Committee, much might have been gained by delaying a policy decision to acquire new equipment until the efforts currently in progress to rationalize the organizations' computer installations had developed to the point where a clear picture could emerge.

128. Given the time-limit set by the Administrative Council for the entry into full operation of the projected new ITU computer, the Advisory Committee believes that it should still be possible for the Administrative Council to examine in greater detail the advantages, financial and other, which might accrue to the Union from early participation in a common facility in Geneva, should one be set up. The Committee would hope that, in the course of such an examination, attention would be given to whether the particular requirements of ITU could be met without the need to acquire a larger unit than the one currently in use. In this context, the Committee calls attention to the recent decision of the Economic and Social Council, at its resumed forty-ninth session, commending the Secretary-General's proposals for a common International Computing Centre (ICC) in Geneva and recommending that all organizations represented in ACC "review their electronic data processing work with a view to co-ordinating it with that of ICC and consider the desirability of participating in the ICC". 18/

18/ Decision taken at the 1725th meeting of the Economic and Social Council.

H. WORLD METEOROLOGICAL ORGANIZATION

| | <u>1970</u> <u>appropriations</u> | <u>1971</u> <u>estimates</u> |
|---|--------------------------------------|---------------------------------|
| | \$ | \$ |
| Personnel services | 2,517,594 | 2,740,464 |
| General services | 323,500 | 398,980 |
| Special projects and activities | 944,630 | 849,500 |
| Other budgetary provisions | 17,500 | 30,000 |
| TOTAL (gross) | <u>3,803,224</u> | <u>4,018,944</u> |
| <u>Less:</u> Income from staff assessment | 385,008 | 413,367 |
| Miscellaneous income | <u>2,500</u> | <u>2,500</u> |
| TOTAL (net) | <u><u>3,415,716</u></u> | <u><u>3,603,077</u></u> |

129. The Advisory Committee discussed the budget of WMO and related matters with a representative of the Secretary-General of the organization.

Summary analysis of the budget

130. The Secretary-General's budget estimates for 1971 amount to \$3,605,577 (net), that is \$187,361 or 5.5 per cent more than the budget for 1970. They are to be submitted for approval to the Executive Committee of WMO at its twenty-second session in October 1970.

131. The 1971 estimates would bring the aggregate of the four annual budgets covering the fifth financial period of WMO (1968-1971 inclusive) to \$12,205,588, or \$388,588 more than the maximum expenditure of \$11,817,000 approved for that period by the Fifth World Meteorological Congress in 1967. However, the Congress authorized the Executive Committee to incur necessary additional expenditures arising from increases in staff salaries and allowances approved by the United Nations and applied by WMO. Such increases are expected to amount to \$543,072 for the period 1968-1971, but \$154,484 of this amount can be met from savings in other areas. Moreover, of the balance of \$388,588, the Secretary-General of WMO expects to be able to finance \$190,084 from miscellaneous income. Thus \$198,504 would have to be sought by increased contributions from member States, over and above the original ceiling approved for the four-year period.

132. The table below gives a breakdown of expenditures in 1968 and 1969, the appropriations for 1970 and the estimates for 1971, along with the differences between the constituent elements of the budgets for 1970 and 1971: 19/

(In United States dollars)

| | <u>1968</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> | <u>Increase (decrease) of 1971 estimates over 1970</u> |
|--|--------------------|--------------------|-----------------------|------------------|--|
| | <u>expenditure</u> | <u>expenditure</u> | <u>appropriations</u> | <u>estimates</u> | <u>appropriations</u> |
| I. Policy-making organs | 106,063 | 125,490 | 124,430 | 209,370 | 84,940 |
| II. Executive management | 152,354 | 174,076 | 215,529 | 209,883 | (5,646) |
| III. Programme of technical activities | 1,536,925 | 1,772,724 | 2,180,626 | 2,324,560 | 143,934 |
| IV. Regional activities | 86,200 | 150,545 | 247,532 | 146,250 | (101,282) |
| V. Administrative and common services | 471,474 | 538,546 | 605,599 | 652,514 | 46,915 |
| VI. Other budgetary provisions | 32,528 | 34,870 | 44,500 | 63,000 | 18,500 |
| TOTAL | 2,385,544 | 2,796,251 | 3,418,216 | 3,605,577 | 187,361 |

133. The Secretary-General proposes to finance the 1971 budget from contributions from member States in the amount of \$3,244,880, drawings on the General Fund (\$358,197), and miscellaneous income (\$2,500).

Personnel

134. According to the regular budget estimates, the number of established posts will be increased from 205 in 1970 (86 Professional and above, 119 General

19/ All budget figures are net of staff assessment, but include \$2,500 in each year for miscellaneous income.

Service) to 211 in 1971 (86 Professional, 125 General Service), in accordance with the decision of the Fifth World Meteorological Congress fixing a maximum establishment of 211 at the end of the financial period 1968-1971. Most of the proposed new posts (all of which are in the General Service category) would be in the Administrative and Common Services Division and the Conference and Publications Division.

135. The Advisory Committee notes that, in line with a decision of the Fourth Congress (1963), somewhat more than 35 per cent of Professional staff in WMO have fixed-term contracts. It was informed that the Secretary-General sees merit in such a policy, particularly in technical areas subject to rapid technological change. 20/ Fixed-term contracts in WMO are normally for four years.

Voluntary Assistance Programme

136. In 1967, the Fifth World Meteorological Congress adopted a plan for the World Weather Watch, and a voluntary assistance programme was established to help countries in its implementation. The Advisory Committee was informed that by June 1970 about \$10 million had been contributed to the fund, that is, about half the target of \$20 million envisaged for the period 1968-1971. However, a number of projects included in the World Weather Watch plan have been carried out with the aid of bilateral financing. Moreover, the Secretary-General of WMO expects that the actual cost of certain high-priority projects will be substantially less than originally estimated.

137. As indicated by the Advisory Committee in its report on the WMO budget for 1970 (A/7818, para. 151), the Secretary-General intends to wind up in the course of 1971 the New Development Fund, which was established in 1963 to provide funds from the regular budget for purposes similar to those later established for the voluntary assistance programme.

Working Capital Fund

138. The level of the Working Capital Fund for the current financial period was laid down by Congress as "4 per cent of the maximum expenditures authorized for the four years of the period, but not exceeding \$500,000". The principal of the Fund has been increased by the Executive Committee by \$1,236 to \$472,976 on the basis of the present membership of the organization. No withdrawals have been made from the Fund in recent years. The Advisory Committee has been informed that, because WMO has been authorized to retain a surplus accruing from the fourth financial period (1964-1967), the Secretary-General does not expect to have to draw on the Working Capital Fund in 1971.

Proposed programme and budget for 1972-1975

139. The Advisory Committee had an opportunity to discuss with the Secretary-General's representative the proposed programme and budget of WMO for the sixth

20/ See also para. 76 above, with reference to ICAO.

financial period, 1972-1975. This document was considered by the Executive Committee in October 1970 and will be examined by the Sixth World Meteorological Congress, scheduled for April, 1971. It envisages expenditure totalling \$17,697,000 for the period, compared with the ceiling of \$11,817,000 approved in 1967 for the period 1968-1971. The following table provides comparative figures:

| <u>Part</u> | <u>1968-71</u> <u>Approved</u> <u>expenditures</u> | <u>1972-75</u> <u>Proposed budget</u> | <u>Increase in</u> <u>proposed budget</u> <u>of 1972-1978</u> <u>over approved</u> <u>expenditures for</u> <u>1968-1971</u> |
|---|--|--|--|
| | \$ | \$ | \$ |
| I. Policy making organs | 537,489 | 710,530 | 173,041 |
| II. Executive management | 484,764 | 652,917 | 168,153 |
| III. Technical programmes | 7,603,224 | 11,675,714 | 4,072,490 |
| IV. Regional activities and UN liaison . . | 643,000 | 996,027 | 353,027 |
| V. Administration and common services . . | 2,328,523 | 3,341,812 | 1,013,289 |
| VI. Other budgetary provisions | 220,000 | 320,000 | 100,000 |
| TOTAL | 11,817,000 | 17,697,000 | 5,880,000 |

140. The proposed increases in 1972-1975 would include \$600,000 (10.2 per cent) to take account of salary increases effected by the United Nations since the computation of the 1968-1971 budget and up to 1 June 1970, \$2,213,400 (37.6 per cent) representing the higher cost of maintaining the activities of WMO at the 1971 level, and \$3,066,600 (52.2 per cent) for additional activities. If the estimates for 1971 are taken as a base figure, provision is made for an annual growth rate of 8.36 per cent throughout the period.

141. The budget parts listed in the table in paragraph 139 above differ in some cases from those hitherto used in the WMO budget, reflecting in part organizational changes proposed by the Secretary-General. Under those proposals the present substantive divisions and offices of WMO would be reorganized as four departments, three of which would correspond to main programme areas of WMO identified by the Executive Committee at its twenty-first session in 1969 (World Weather Watch Programme, Programme for Research, Education and Training, Programme on the Interaction of Man and his Environment). The fourth would be

the Department of Hydrology and Water Resources, which the Secretary-General considers necessary in the light of the increasingly important role of WMO in that field. They would be under the authority of an Assistant Secretary-General, a new post. Technical co-operation activities financed from extra-budgetary funds would be the responsibility of a second Assistant Secretary-General (also a new post). The activities of all the above units would be listed as programmes under Part III of the budget (Technical Programmes), along with separate provision for programme planning, management and supporting activities; the latter would include the requirements of a proposed high-level unit for long-term programme planning.

142. The Secretary-General also proposes the appointment, late in the period 1972-1975, of a third Assistant Secretary-General, in charge of supporting services (conference facilities, publications, administrative services, public information, etc.). Thus the top echelon of WMO would consist of a Secretary-General, a Deputy Secretary-General (as at present), plus three Assistant-Secretaries-General.

143. The major programme of WMO in the current financial period is the World Weather Watch. In the period 1972-1975, various activities are grouped together into one environmental programme which, in terms of expenditure (\$2.7 million), would be comparable with the World Weather Watch programme (\$2.6 million). The environmental programme has been expanded in comparison with its 1968-1971 level to meet the growing urgency of problems such as atmospheric pollution.

144. The programme and budget proposals for 1972-1975 also include the creation of a WMO liaison office at the United Nations in New York to stimulate increased co-ordination and co-operation in such areas as ocean affairs, water resources, outer space, the environment, and the application of science and technology for development. The Advisory Committee was informed that in the view of the Secretary-General the lack of such an office - the responsibilities of which would include liaison with UNDP - is adversely affecting the work of WMO.

Premises

145. As indicated in the Advisory Committee's reports to the General Assembly at its twenty-fourth session 21/ the Organization had made arrangements to purchase its headquarters building in Geneva together with an extension, then under construction. This extension, which is expected to meet WMO's needs at least until 1975, is now in use. The acquisition of the extended headquarters premises is viewed by the Secretary-General of WMO as the acquisition of "a permanent and increasingly valuable asset to the Organization" and, therefore, an investment. For this reason he has proposed in the Programme and Budget for 1972-1975, the creation of a Building Fund, separate from the General Fund, through which the amortization and purchase payments would be channelled over a thirty-year period. Expenses related to the building, such as repairs, maintenance, cleaning, heating and lighting, would continue to be charged to the regular budget. The Advisory

21/ Official Records of the General Assembly, Twenty-fourth Session, Annexes, agenda item 80, document A/7805, para. 102; and document A/7818, para. 15.

Committee understands that the Building Fund would be financed in exactly the same way as the regular budget, that is, by contributions from member States on the basis of their proportional assessments. Thus the Building Fund would in practice resemble a part of the annual budget; hence, the expenditures foreseen for the Fund should be included in any calculation of the rate of general budget increase, such as that referred to in paragraph 140 above. Pending the creation of the Building Fund in 1972, provision for amortization and payments on the WMO building are included in the regular budget for 1971. Together with maintenance, cleaning, heating and other similar costs, expenditure on accommodation is estimated at \$120,000.

Budget cycle

146. The Advisory Committee was informed that the existing four-year budget cycle of WMO sometimes creates difficulties for the Secretary-General, especially towards the end of each financial period, when conditions under which programmes are implemented may be very different from those under which they were drawn up. It understands that these difficulties have been discussed in the Executive Committee of WMO, but that there is no proposal at present to reduce the length of the cycle.

I. INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION

| | <u>1970</u> <u>appropriations^{a/}</u> \$ | <u>1971</u> <u>appropriations^{a/}</u> \$ |
|--|---|---|
| Personnel services (including staff recruited for meetings) | 913,372 | 1,091,701 |
| General services | 342,516 | 353,405 |
| Special projects and activities | - | - |
| Other budgetary provisions | 3,000 | 3,000 |
| TOTAL (gross) | <u>1,258,888</u> | <u>1,448,106</u> |
| <u>Less:</u> Miscellaneous income | 20,000 | 20,000 |
| TOTAL (net) | <u><u>1,238,888</u></u> | <u><u>1,428,106</u></u> |

^{a/} As derived from the appropriation of \$2,706,944 (gross) and \$2,666,994 (net) for the biennium 1970/1971.

147. The Advisory Committee discussed the budget of IMCO with a representative of the Secretary-General of the organization.

Summary analysis of the budget

148. The table above provides the breakdown by year for each category of expenditure of the appropriation voted in 1969 by the IMCO Assembly for the biennium 1970/1971. The 1971 budget represents an increase of \$189,218, or about 15.2 per cent, over that for 1970. As can be seen from the following table, in which estimated expenditures are broken down by budget sections, almost all the increase is attributable to meetings and to personnel and personal services:

| <u>Section</u> | <u>1970</u> | <u>1971</u> | <u>Increase (decrease) in 1971 compared with 1970</u> |
|--|-------------|-------------|---|
| I. Meetings | 170,900 | 280,443 | 109,543 |
| II. Personnel and personal services | 785,386 | 881,390 | 96,004 |
| III. General services | 279,333 | 262,065 | (17,268) |
| IV. Printing and publications | 20,269 | 21,208 | 939 |
| V. Other budgetary provisions | 3,000 | 3,000 | - |
| TOTAL (gross) | 1,258,888 | 1,448,106 | 189,218 |
| <u>Less:</u> Miscellaneous income | 20,000 | 20,000 | - |
| TOTAL (net) | 1,238,888 | 1,428,106 | 189,218 |

149. The expected higher expenditure for meetings is partly due to the fact that a meeting of the biennial IMCO Assembly is due to be convened in 1971. Moreover, the 1971 calendar includes provision for two international conferences under the auspices of IMCO, compared with none in 1970: a conference to adopt rules for special-trade passenger ships and a conference to consider the creation of an international compensation fund for the victims of oil pollution. Subject to final approval by the IMCO Council at its twenty-fifth session in November 1970, these conferences would be financed from part of an appropriation of about \$76,000 included in the 1970/1971 budget for convening a conference on containerization; it has been decided that the latter conference will not take place in 1971 and the Council has agreed in principle to recommend that the Assembly appropriate about \$76,000 for 1972/1973 for IMCO's participation in the joint UN/IMCO Conference on International Container Traffic in late 1972.

150. The increase in 1971 under Section II is attributable to upward movements in post adjustments and local wage rates and to annual increments. The twenty-one additional posts authorized in the 1970/1971 budget are all included in the staff establishment for 1970. No staff increases are therefore projected for 1971. The regular budget comprises thirty-eight posts in the Professional and higher categories and sixty-eight in the General Service category, including seven General Service posts paid from the Printing Fund, that is, a total of 106 posts. In addition, there are seven headquarters posts, financed from UNDP funds, of which two are Professional and five General Service.

151. Although the provision for miscellaneous income, which in the case of IMCO is income from interest, remains unchanged at \$20,000, the Advisory Committee was informed that, in fact, interest income in 1970 is likely to be in the order of \$25,000 to \$28,000 because of higher interest rates than were foreseen when the biennium budget was adopted.

Accommodation

152. The organization moved into new rented premises in London in May 1970. The Secretary-General was authorized by the sixth session of the IMCO Assembly to accept loans totalling \$100,000 offered by the Governments of the United Kingdom of Great Britain and Northern Ireland, the Federal Republic of Germany and Liberia for the adaptation and alteration of the new headquarters. The loans have been placed in a special fund set up for this purpose. The Advisory Committee was informed that the initial installation costs are now expected to be in the order of \$150,000 rather than the \$93,600 previously estimated, because of structural changes which must be made in the new premises in order to make them more suitable for IMCO's needs. Moreover, an additional \$20,000 would be required if the 1971 session of the IMCO Assembly were to be held in the new premises, as the Assembly has decided.

153. In order to provide for the above increased requirements, the Council of IMCO has authorized the Secretary-General to apply to the installation and alteration costs \$86,000 available from the cash surplus for 1969. In addition, some funds will be available from the sale to the International Coffee Organization of assets of IMCO at its previous premises.

Budgetary outlook for 1970/1971

154. For 1970, the Secretary-General of IMCO expects a surplus of about \$13,000. However, he foresees considerable difficulties in 1971 in remaining within the available appropriations. The Advisory Committee was informed that increases in General Service salaries granted in February 1970 will cost the organization about \$21,000 more in the biennium than had been foreseen, while a further increase might become necessary early in 1971, at a cost of about \$23,000. In addition, pension fund payments and the cost of temporary assistance and overtime would increase correspondingly. It is also foreseen that at least one post adjustment may have to be granted for Professional staff, in addition to the one provided for in the budget. Moreover, about \$9,500 would be required to implement the Secretary-General's proposal to up-grade the unclassified post of Deputy Secretary-General and the post of Secretary of the Maritime Safety Committee, in conformity with the grading of similar posts in similar specialized agencies. Under Section III (General service), a greater volume of communications, increased postal rates, and higher costs associated with the move of IMCO to its new premises could result in a deficit of the order of \$16,000.

155. The Secretary-General thus foresees that it may become necessary in 1971 for the first time in the history of IMCO - to draw on the Working Capital Fund under a provision of the Financial Regulation which authorizes such drawings for "unforeseen and extraordinary expenses or other authorized purposes". Such action has already been approved in principle by the IMCO Council. If the Working Capital Fund were insufficient to meet the deficit foreseen, it would be necessary for the governing organs to consider supplementary estimates for 1971.

Arrears in payment of contribution

156. In its report to the General Assembly at its twenty-fourth session on the budget of IMCO, the Advisory Committee referred to the increase in arrears of contribution owing to IMCO by member Governments (A/7818, para. 172). The Committee understands that such arrears for contributions due in 1969 or earlier amount to about \$37,000. This matter has been under consideration for a long period by the IMCO Council and will be again examined at its session in November 1970.

Long-term planning proposals

157. The Advisory Committee was interested to learn that the IMCO Assembly has asked the Council to draw up a long-term work programme for the Organization (A/7987/Add.1) and that this document will follow the guidelines recommended by Inspector Maurice Bertrand of the Joint Inspection Unit in his report on programming and budgets in the United Nations family of organizations (A/7822, annex).

J. INTERNATIONAL ATOMIC ENERGY AGENCY

| | <u>1970</u> <u>appropriations</u> ^{a/} | <u>1971</u> <u>appropriations</u> |
|--|--|--------------------------------------|
| | \$ | \$ |
| Personnel services (net) ^{b/} | 9,309,000 | 10,182,700 |
| General services | 965,500 | 1,098,500 |
| Special projects and activities | 1,875,500 | 2,396,800 |
| Other budgetary provisions | 100,000 | 100,000 |
| TOTAL | <u>12,250,000</u> ^{c/} | <u>13,778,000</u> ^{d/} |
| <u>Less:</u> Revenue | <u>397,000</u> | <u>726,000</u> |
| TOTAL | <u><u>11,853,000</u></u> | <u><u>13,052,000</u></u> |

a/ The 1970 figures as shown in the table differ from those reported last year for 1970 (A/7818), when salaries and common staff costs of operational facilities were shown as a component of "Special projects and activities"; for 1971, they have been included, for the first time, under "Personnel services".

b/ IAEA does not have a staff assessment fund or a tax equalization fund.

c/ Net expenditure, after deduction of \$210,000 direct income to programmes.

d/ Gross expenditure; the direct income to programmes is shown separately as part of the total income of \$726,000.

158. The Advisory Committee had the benefit of a full discussion of the 1971 budget of IAEA and related matters with a representative of the Director-General.

Summary analysis of the 1971 budget

159. The regular budget for 1971, as recommended by the Board of Governors, was approved by the General Conference of IAEA at its fourteenth regular session, in September 1970. It shows an increase of \$1,528,000 over the 1970 appropriation. This increase can be broken down into \$499,500 to account for the increased cost of carrying out in 1971 the same level of activities as in 1970, \$758,500 for programme expansion and \$270,000 for different treatment of income and a transfer from the operational budget. The greatest single factor contributing to the increase is the decision to strengthen the Agency's safeguards activities, as a result of the coming into force of the Treaty on the Non-Proliferation of Nuclear Weapons; \$533,000 of the programme increase arises from this factor. The Advisory Committee was informed that, because of the expansion in safeguards activities, an effort had been made to keep other programme increases in 1971 to a minimum. It understands that proposals have been made providing for the introduction of a special formula for the distribution among member States of

costs arising from the safeguards programme. Other activities where significant programme expansion is provided for are the International Centre for Theoretical Physics in Trieste (\$60,000), information and technical services (\$62,300), common services (\$152,200), and service and support activities (\$57,500). Most of the programme increase for the Trieste Centre will be offset by special grants. In the case of service and support activities, the increase represents the direct financial support which IAEA will provide for the Fourth International Conference on the Peaceful Uses of Atomic Energy, to be held in Geneva in 1971. The Advisory Committee notes that, in the light of this conference, IAEA will reduce by about 50 per cent its own 1971 programme of scientific symposia, seminars and conferences.

160. Until 1970, one quarter of the costs of the laboratory at Seibersdorf was met from the operational budget; in 1969, it was decided that, beginning in 1970, these costs would be progressively transferred to the regular budget. A transfer of \$60,000 is provided for in the budget for 1971. The remaining \$63,000 will be transferred in 1972. The Advisory Committee notes that the costs of the laboratory show a sharp increase in 1971, due to salary increases effected during 1969 and 1970 and to higher costs for services, utilities, supplies and equipment.

161. While the 1971 budget provides for increases in salaries for General Service and maintenance and operative staff which took effect in 1970, no such provision is made for expected salary increases in 1971, nor for an expected additional class of post adjustment for Professional staff. The Board of Governors recommended, and the General Conference concurred, in order to limit the increase in the budget, that such increases should to the maximum extent possible be compensated by savings on other items. The Advisory Committee was informed that, even taking into account the budgetary provision of \$100,000 for contingent extraordinary expenditures, the Director-General foresees difficulties in accommodating within the 1971 budget the salary and related increases projected for that year.

Budget presentation

162. For the first time, the 1971 budget of IAEA is presented on a programme basis. The seventeen programmes of the Agency, which correspond broadly to organizational units, are consolidated into only nine appropriation sections; four sections are each divided into three programmes, an arrangement intended to allow the Director-General greater flexibility in implementing the budget, as he has authority to make transfers within budget sections. The Advisory Committee notes that policy-making organs, executive management and technical programme planning, administration, common services, service and support activities and contingent extraordinary expenditure are each considered as programmes. Previously the budget was presented in thirteen sections on an object-of-expenditure basis.

163. The following table compares the 1971 appropriations with those for 1970 and actual expenses incurred in 1969; the figures for 1969 and 1970 have been adjusted to conform to the new presentation.

164. The Director-General of IAEA believes that programme budgeting will enable the secretariat, the Board of Governors and the General Conference to plan and control programmes more effectively. The Advisory Committee understands that the Director-General is aware of the necessity of defining programme objectives and of establishing measurable performance indicators if IAEA is to derive the maximum benefit from programme planning.

| Item ^{a/} | 1969 | | 1970 | | | 1971 | | |
|---|---------------|-------------------------|---------------|-----------------------------|----------|---------------|-----------------------------|----------|
| | Appropriation | Actual | Appropriation | Increase (decrease) over | | Appropriation | Increase (decrease) over | |
| | | | | 1969 actual | Per cent | | 1970 budget | Per cent |
| | \$ | \$ | \$ | \$ | | \$ | \$ | |
| <u>Expenditures</u> | | | | | | | | |
| 1. Policy-making organs | 568,500 | 526,899 | 560,000 | 33,101 | 6.3 | 571,000 | 11,000 | 1.9 |
| 2. Executive management and technical programme planning | 290,500 | 329,621 | 330,400 | 779 | 0.2 | 348,000 | 17,600 | 5.3 |
| 3. Technical assistance and training . . | 627,700 | 614,775 | 611,800 | (2,975) | (0.5) | 628,000 | 16,200 | 2.6 |
| 4. Food and agriculture | 494,500 | 618,939 | 553,600 | (65,339) | (10.6) | 553,000 | (600) | (0.1) |
| 5. Life sciences | 613,700 | 636,753 | 600,200 | (36,553) | (5.7) | 609,000 | 8,800 | 1.5 |
| 6. Physical sciences | 668,200 | 713,723 | 701,400 | (12,323) | (1.7) | 714,000 | 12,600 | 1.8 |
| 7. The Laboratory | 728,000 | 755,310 | 819,000 | 63,690 | 8.4 | 970,000 | 151,000 | 18.4 |
| 8. Trieste Centre | 115,000 | 119,845 | 150,000 | 30,155 | 25.2 | 150,000 | - | - |
| 9. Nuclear power and reactors | 688,500 | 603,637 | 706,000 | 102,363 | 16.9 | 694,000 | (12,000) | (1.7) |
| 10. Health, safety and waste management . | 623,700 | 461,051 | 634,100 | 173,049 | 37.5 | 673,000 | 38,900 | 6.1 |
| 11. Monaco Laboratory | 131,000 | 133,233 | 160,800 | 27,567 | 20.7 | 177,000 | 16,200 | 10.1 |
| 12. Information and technical services . . | 1,501,200 | 895,525 ^{b/} | 1,165,000 | 269,475 | 30.1 | 1,258,000 | 93,000 | 7.9 |
| 13. Safeguards | 921,900 | 952,650 | 1,272,000 | 319,350 | 33.5 | 1,885,000 | 613,000 | 48.2 |
| 14. Service and support activities | 757,500 | 758,580 | 780,600 | 22,020 | 2.9 | 842,000 | 61,400 | 7.9 |
| 15. Administration | 1,093,000 | 1,396,416 ^{b/} | 1,367,300 | (29,116) | (2.1) | 1,400,000 | 32,700 | 2.4 |
| 16. Common services | 1,298,100 | 1,717,804 ^{b/} | 1,737,800 | 19,996 | 1.2 | 2,206,000 | 468,200 | 26.9 |
| 17. Contingent extraordinary expenditures | 130,000 | - ^{c/} | 100,000 | 100,000 | - | 100,000 | - | - |
| TOTAL | 11,251,000 | 11,234,761 | 12,250,000 | 1,015,239 | 9.0 | 13,778,000 | 1,528,000 ^{d/} | 12.5 |

a/ The budget resolution groups the seventeen items, or programmes, in nine appropriation sections, as indicated in paragraph 162 above.

b/ In these three programmes, budget estimates and actual expenditures for 1969 are not comparable, since several component parts (e.g. public information, publications) were transferred from one programme to another, in part due to organizational changes.

c/ \$113,761 was used; total expenditures in the various programmes exceed the 1969 budget estimates by that amount.

d/ Includes revenues of \$210,000 which are deducted from 1970 expenditures. Based on 1970 gross expenditures, the increase is \$1,318,000 (10.6 per cent).

165. The Advisory Committee was informed that the Director-General intends to computerize fully the Agency's accounting system so that control over implementation of the budget will not be weakened by the change to programme budgeting.

Personnel

166. The number of established posts will be increased in 1971 from 1,001, the 1970 level, to 1,044. The following table compares the distribution of staff by category, for each of the three years:

| <u>Category</u> | <u>1969</u> | <u>1970</u> | <u>1971</u> |
|-------------------------------------|-------------|--------------|--------------|
| Professional and above | 360 | 383 | 398 |
| General Service | 457 | 477 | 494 |
| Maintenance and operative | 139 | 141 | 152 |
| TOTAL | <u>956</u> | <u>1,001</u> | <u>1,044</u> |

167. Nineteen of the new posts (fourteen Professional, five General Service) are for the Department of Safeguards and Inspection, and eighteen (six General Service, twelve maintenance and operative) are provided for under common services, mainly as a result of the occupation by IAEA (as from 1970) of additional office space.

168. A survey of the deployment and utilization of staff in IAEA was carried out in 1969 by an internal task force. The Advisory Committee was informed that a main finding of the survey was that because scientific staff had increased in past years more rapidly than non-salary items for scientific programmes, it should be possible to lapse temporarily some such posts; thus funds have not been provided in the 1971 budget for twenty established posts. Moreover, on the basis of the findings, nine posts will be lent by other departments in IAEA to the Department of Safeguards and Inspection, in view of its responsibilities under the Treaty on the Non-Proliferation of Nuclear Weapons. As a second phase of the survey, a task force is now studying the optimum allocation of the twenty lapsed posts and the nine posts which have been loaned, including the possibility that some posts might be removed from the manning-table altogether. Recommendations for changes or adjustments in the manning-table will be incorporated into the Director-General's budget proposals for 1972.

Operational budget of IAEA

169. The approved operational budget of IAEA for 1971, amounting to \$3,251,000, is financed from voluntary contributions and provides for activities - mainly technical assistance - which, under the Agency's Statute, cannot be financed from the regular budget. The level for 1971 is \$664,000 above that for 1970, reflecting a decision of the General Conference to increase from \$2 million to \$2.5 million the annual target for voluntary contributions by member States to the General Fund, the main source of financing for the operational budget. The Advisory Committee was informed that pledges towards this increased target have so far been significantly above those of previous years.

Working Capital Fund

170. No change is proposed in the level of the Working Capital Fund of IAEA, which at \$2 million represents 14.5 per cent of the gross regular budget for 1971. The Advisory Committee understands, however, that the Director-General is considering a proposal under which the Fund would be available to finance technical assistance programmes under the operational budget pending the receipt of voluntary pledges. At present, the Fund has three purposes: to finance the Agency's activities pending receipt of assessed contributions, to finance temporarily certain projects or activities of a self-liquidating nature, and to provide funds for emergency assistance in the event of radiation accidents.

Enlargement of the Board of Governors of IAEA

171. At its recent fourteenth regular session, the General Conference of IAEA voted to increase the membership of the Board of Governors (the present size is twenty-five). Such a change, however, calls for amendment of the Agency's Statute and will therefore not become effective until accepted by two-thirds of the member States.
