

RELATIONS WITH AND CO-ORDINATION OF SPECIALIZED AGENCIES
AND WORK PROGRAMMES OF THE UNITED NATIONS AND
SPECIALIZED AGENCIESADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE
UNITED NATIONS AND THE SPECIALIZED AGENCIES*

Report of the Secretary-General

1. The General Assembly, by resolution 125 (II) adopted on 20 November 1947, requested the Secretary-General, in consultation with the specialized agencies through the Co-ordination Committee and in consultation with the Advisory Committee on Administrative and Budgetary Questions, to prepare a report for submission to the Economic and Social Council and the third regular session of the General Assembly with recommendations concerning:

- (a) Measures for achieving greater uniformity in presentation of the budgets of the United Nations and of the specialized agencies with a view to providing a basis for comparison of the several budgets;
- (b) The fiscal year and schedule of meetings of the specialized agencies in their relation to the procedures envisaged in the resolution for setting priorities and for developing effective co-ordination of programmes of the United Nations and the specialized agencies; and
- (c) The feasibility of improved budgetary co-ordination between the United Nations and the specialized agencies.

2. In order to provide the Economic and Social Council and the General Assembly with a more comprehensive view of the administrative and budgetary relationships of the United Nations and the specialized agencies, the Secretary-General wishes also to report on the following additional items:

- (a) Transmittal of the budgets or budgetary estimates for 1949 to the Secretary-General before 1 July 1948;

* Already distributed to members of the Economic and Social Council as document E/847.

- (b) Promotion of the development of similar budgetary, administrative and financial practices in the United Nations and the specialized agencies; and
- (c) Implementation of other administrative and budgetary clauses of the agreements between the United Nations and the specialized agencies.

3. In preparing this report, the Secretary-General has consulted with the Advisory Committee on Administrative and Budgetary Questions on the substance of the matters dealt with, and with the specialized agencies, through the established co-ordination machinery, both as to fact and presentation. The evaluations expressed in this report, however, are those of the Secretary-General.

Form of United Nations and specialized agency budgets

4. The Co-ordination Committee has agreed that the practical objective should be development towards a standard budget form, with necessary variations in detail to fit the special requirements of each agency. As a first step in this direction, a series of technical meetings has produced an agreed standard pattern of budget headings and objects of expenditure (together with standard definitions) which the United Nations and the agencies have undertaken to use as a basis for summaries of 1949 estimates. When the budgets and standard summaries have been transmitted to the Secretary-General, the United Nations Secretariat will prepare an annex to the United Nations budget for 1949 encompassing these summaries together with appropriate tables and analyses in order to facilitate inter-agency budgetary comparisons. Members of the Co-ordination Committee have also been invited to make the maximum use of the panel of objects of expenditure (with such revisions as may be made from time to time) within the framework of existing budget forms and to take all possible steps for eliminating non-essential differences in structure and terminology. In the budgets prepared to date, adjustments towards this standard pattern have been made. While continued progress along these lines may be expected, a much more difficult problem is presented by the fundamental structural changes in the main budgets which complete standardization would require, since the general budget structure of an organization is usually determined by the financial regulations which the General Assembly or the annual conferences have approved.

5. Perhaps an even greater difficulty lies in the differences in size and organizational structure of the United Nations and the respective agencies. Variations in staffs from 50 to 3,400, in main organizational

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units from 2 to 12, wide difference in number and types of conference and mission activity, in branch offices and in programme objectives and responsibilities, make it inappropriate at this time to provide for complete standardization of budget form and structure. In this connexion, it will be recalled that the Advisory Committee on Administrative and Budgetary Questions in a report to the second regular session of the General Assembly,* while of the opinion that there was no insuperable reason why many differences in details could not be eliminated, warned, nevertheless, that the desirability of similarity in budget form should not be pressed to an unreasonable extent. If and when a common budget pattern is believed to be practicable, the panel of objects of expenditure and the standard definitions which have been established will offer a sound technical basis for the accomplishment of this objective.

6. The Secretary-General and the chief administrative officers of the specialized agencies are of the opinion that the progress made in 1947 and 1948 will provide a sufficient basis for comparison of the several budgets for 1949. In view of the fact that the United Nations and most of the agencies are still in the experimental stage in this matter, the best results, it is felt, will be secured by seeking continuously to improve the technique of budget presentation for purposes of comparability and in particular by seeking to improve methods for presenting budgetary information by projects or activities. The need for adequate budget justifications relating work programmes to relevant sections or divisions of the budget in the spirit of the Advisory Committee's recommendations will, therefore, be emphasized by the Secretary-General and the chief administrative officers of the agencies during the next fiscal year. Representatives of the International Bank for Reconstruction and Development and the International Monetary Fund have not participated in inter-agency discussions of budget form in view of their special situation with respect to budgetary matters.

Fiscal year and schedule of meetings

7. The International Civil Aviation Organization Assembly has recently accepted the recommendation of its Council for an eighteen-months budget for the period 1 July 1948 to 31 December 1949, which will bring the organization into conformity with the calendar fiscal year established by the United Nations and most of the specialized agencies.

* See General Assembly resolution 165 (II), Annex A.

8. This means that the United Nations and all specialized agencies except the Bank, the Fund and the Preparatory Commission for the International Refugee Organization have achieved uniformity in this respect. Since the administrative budgets of the Bank and the Fund are not financed by governmental contributions and the budgetary clauses of their agreements with the United Nations are of a different character, the variations introduced are not significant with respect to budgetary co-ordination. The Secretary-General will formally bring the question of uniformity in the fiscal year to the attention of the first meeting of the General Council of the International Refugee Organization.

9. While the overriding importance of programme co-ordination has dictated the policy pursued by the Secretary-General in requesting agencies to accept the calendar year as the financial year, certain disadvantages in this common pattern should not be overlooked. Among these disadvantages are: long delays between the vote of appropriations by the annual conferences and the beginning of the fiscal year to which they apply, with resulting difficulties in foreseeing needs accurately so far in advance; and the necessity for scheduling audits at about the same time, thereby increasing the barriers to a common external audit as proposed by the General Assembly and by the Advisory Committee on Administrative and Budgetary Questions.

10. With reference to the question of a schedule of United Nations and specialized agency meetings designed to promote proper programme and budgetary co-ordination, the Secretary-General proposed to the third session of the Co-ordination Committee (January 1948) a plan whereby the annual conferences of the agencies would take place in the first six months of the year, and the pre-Assembly session of the Economic and Social Council, the General Assembly, and ad hoc international conferences would take place in the second half of the year.

11. Such a plan would not only facilitate the submission of programme reports and budgets to the Economic and Social Council and to the General Assembly respectively at the appropriate time, but would also appear highly desirable from the point of view of spreading the conference workload in a manner helpful to delegations and to the Secretariat.

12. The Co-ordination Committee studied this plan at two sessions. At its May 1948 meeting, the Committee noted that the dates fixed by the International Labour Organization, the International Civil Aviation Organization and the World Health Organization for their 1949 conferences complied with the proposed schedule. The Food and Agriculture Organization

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reported that its Administrative Council had decided to schedule the 1948 annual conference on 15 November, and that the Food and Agriculture Organization faced a particular difficulty in that its conference must be geared to the harvest in the northern hemisphere. The United Nations Educational Scientific and Cultural Organization conference was scheduled for 21 October. The sessions of the Boards of Governors of the Bank and the Fund for 1948 will be held beginning 27 September.

Feasibility of improved budgetary co-ordination between the United Nations and the specialized agencies

13. The Secretary-General attaches the greatest importance to the preoccupation of the General Assembly with the need for ensuring that international budgets are honestly, efficiently and economically administered and that there is no waste of public funds owing to duplication of work on the part of the United Nations and the specialized agencies. The Secretary-General noted, however, that the General Assembly, in resolution 125 (II), did not prejudge the method for achieving these objectives but requested him rather to report and make recommendations on the feasibility of improved budgetary co-ordination.

14. The Secretary-General, in light of the discussions in the General Assembly leading to this request, has given careful consideration to the feasibility of a consolidated budget and to various alternative methods for achieving closer budgetary co-ordination. He has discussed the question at length with the administrative heads of the specialized agencies at the third and fourth sessions of the Co-ordination Committee. The statement agreed upon by the members of that Committee (with the exception of the Bank and Fund to which these considerations do not apply) is annexed to this report. The Secretary-General concurs in these observations and in the conclusion that, apart from any question of desirability, the constitutional and political prerequisites for a consolidated budget are not capable of immediate fulfilment.

The Advisory Committee on Administrative and Budgetary Questions reviewed this statement at a meeting held with the Co-ordination Committee on 16 July, and expressed its general agreement with the conclusion of the Secretary-General and the heads of the specialized agencies concerned.

Transmittal of budgets or budgetary estimates for 1949

15. The General Assembly, in paragraph 4 (b) of resolution 125 (II), called upon the specialized agencies, as appropriate under the terms of their respective agreements with the United Nations, to transmit their budgets or budgetary estimates for 1949, and for each year thereafter, to the

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Secretary-General of the United Nations before 1 July of the preceding year, in order that the Secretary-General might incorporate those budgets or budgetary estimates as information annexes in his annual budget estimates for transmittal to the General Assembly, together with such summaries as he might deem appropriate and useful. Only three agencies, the International Labour Organization, the World Health Organization and the International Civil Aviation Organization, were able to meet this request by 16 July. It should be noted also that the budget estimates transmitted by the International Civil Aviation Organization relate to an eighteen-months fiscal period beginning 1 July 1948 and ending 30 December 1949. The International Labour Organization formally transmitted the annual budget as approved by the International Labour Conference by mid-July. The Executive Secretary of the Interim Commission of the World Health Organization has transmitted budgetary estimates as approved by the fifth session of the Interim Commission and will be able to transmit the budget, as approved by the first World Health Assembly, by about mid-July.

16. At the present stage of development of a comprehensive calendar of annual conferences, as noted in paragraph 10 above, it will be impossible for other specialized agencies to meet this request by the date set. The United Nations Educational, Scientific and Cultural Organization and the Food and Agriculture Organization will be able to transmit budgetary estimates, as reviewed by their Executive Board and Council respectively, by about 1 September. The International Telecommunications Union has also advised that budgetary estimates for 1949 as approved by the Council will be available in September. Since the budgetary arrangements of the Universal Postal Union are based on an allocation of expenditures at the close of the fiscal year, the request of the General Assembly cannot be met on the same terms as the agencies mentioned above. It should also be noted that the terms of the agreements between the United Nations and the Bank and the Fund do not require submission of budget estimates for examination by the General Assembly.

17. As noted in paragraph 4 on the form of the budget, the agencies have agreed to prepare standard annexes to their budgets, summarizing them according to an agreed panel of objects of expenditure. The Secretary-General will transmit to the Members of the General Assembly the summaries, together with additional tables and analyses, by mid-September.

Development of similar budgetary, administrative and financial practices
in the United Nations and the specialized Agencies

18. There has been a continuing effort through the first two years of the life of the United Nations to give full information to the specialized agencies concerning budgetary, administrative and financial practices in the United Nations. The comments of the

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agencies have been sought wherever possible in advance of the installation of new practices. A regular system of exchange of bulletins and administrative instructions, in addition to the oral consultations of administrative officers at regular intervals, has provided the chief means for the development of similar practices in these fields.

19. During 1948, at the request of the Advisory Committee on Administrative and Budgetary Questions, a comparative survey of the administrative and financial systems of the United Nations and the specialized agencies has been undertaken with a view to determining the most effective and economical system. This study has provided comprehensive information on staff and financial regulations, as well as an organization of the administrative and financial systems, and offers a sound basis for the further development of similar budgetary, administrative and financial practices. Some progress has also been made toward a joint system of external audit, which is expected to play an important part in securing greater uniformity in budgetary and financial practices.

Implementation of other administrative and budgetary clauses of the agreements between the United Nations and the specialized agencies

20. Other administrative and budgetary clauses of the agreements between the United Nations and the specialized agencies include articles on headquarters and regional offices, personnel arrangements, administrative and technical services and certain other budgetary and financial arrangements, such as common collection of contributions and, finally, the financing of special services.

21. Implementation of the clauses relating to headquarters and regional offices is referred to in separate reports to the Economic and Social Council (documents E/842 and E/843).

Co-ordination in personnel arrangements

22. The personnel clauses of the agreements have been given close attention by the Secretary-General and the heads of the specialized agencies. A consultative committee of personnel officers was one of the earliest parts of the co-ordination machinery. Work on salary schemes and administration, common personnel standards, common recruitment machinery, a joint pension scheme and arrangements for transfer of personnel between agencies, has been under way since late 1946 and considerable progress had been made in certain areas.

International Civil Service Advisory Board

23. After considerable consultation, the Secretary-General and the heads of the specialized agencies decided on the composition and terms of reference of

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an International Civil Service Advisory Board to be established in accordance with the resolution adopted by the General Assembly on 13 February 1946 (13(I), III).*

24. The Co-ordination Committee also agreed on the nomination of persons to be asked to serve on the Board. The Secretary-General is communicating with the nominees and, on receipt of acceptances, will announce the membership of the Board and the date of its first meeting.

25. The purposes of the Board, which will hold its first meeting in early summer, will be to contribute to the improvement of recruitment and related phases of personnel administration in all the international organizations through:

- (a) Advice and interchange of information on methods of recruitment and on the means by which appropriate standards of recruitment in the Secretariat and the specialized agencies may be ensured;
- (b) At the request of the Co-ordination Committee, consideration of related phases of personnel administration and developing and making recommendations for guiding principles and appropriate policies arising from the consideration of such problems;
- (c) At the request of an individual agency, provision of advice or assistance on a personnel problem of the agency.

26. As indicated by the title and statement of purposes, the Board is intended to be advisory and consultative and to have no responsibility for, or control of, the operation of recruitment or related phases of personnel administration; the Co-ordination Committee has noted, however, that

"Experience might show the desirability at a later date of amending the Board's terms of reference to include the possibility of delegation by organizations of certain specific operating responsibilities."

Salary and allowance plans

27. Recognizing common standards of remuneration as essential to avoid competition in recruitment and to facilitate interchange of personnel in an international civil service, the Secretary-General and the specialized agencies are making continuing efforts to achieve a common base for salary and allowances schemes, within the framework of the approved budget and staff regulations.

* Document A/64, page 15.

28. Several noteworthy steps have been taken within the past year in the direction of common or comparable plans: the International Labour Office has revised its salary plan so that it closely approximates United Nations rates; the Executive Board of the United Nations Educational, Scientific and Cultural Organization approved a new plan of salaries and allowances in February 1948 which is modelled on the United Nations scheme; the Food and Agriculture Organization and the Interim Commission of the World Health Organization have adopted rates comparable to those of the United Nations; a working party on salary differentials at headquarters and in branch-office cities has agreed on a statistical plan for determining such differentials. The United Nations classification plan, which was too elaborate in the beginning to fit the needs of small agencies, is being materially simplified to enhance its flexibility and usefulness as a general pattern.

29. This report should not obscure the fact, however, that considerable work remains to be done in this area. The application of the same plan in varying ways sometimes results in substantially different salaries for persons doing comparable jobs in different agencies. Budgetary pressures in some instances have not permitted adoption of a salary and allowance plan liberal enough to attract the highest quality personnel. Different philosophies of personnel administration have also precluded complete agreement at this stage in the development of the United Nations and the specialized agencies.

Joint Staff Pension Scheme

30. Proposals for the United Nations staff pension scheme have always been constructed on the expectation and assumption that the specialized agencies would join in a common scheme. Provision was made in the plan presented to the second regular session and is again made in the new plan to be recommended to the third regular session for a Joint Staff Pensions Committee and for full participation by the agencies.

31. It must be noted that thus far no specialized agency is participating in the scheme, although the International Labour Office has reaffirmed its readiness in principle to cover uninsured staff members in such a system; no final decision will be taken by its Governing Body until regulations for a permanent pensions scheme have been approved by the General Assembly. The Bank and the Fund have established independent pension schemes for their respective staffs after deciding that the United Nations provisional scheme does not fit their needs.

32. The Advisory Committee on Administrative and Budgetary Questions, after hearing a representative of the Bank Secretariat describe the plan under consideration in that agency, expressed the hope that the agencies concerned

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"would reconsider the United Nations proposals and make every effort to adopt them. In the contrary event, however, the Committee trusts that the Staff Benefit Committee, in conjunction with the specialized agencies will consider ways and means by which a staff member transferring from one organization to another will at the same time be enabled without difficulty to transfer his accrued rights or their actuarial equivalent from one pension scheme to the other". (First report of 1948, document A/534, paragraph 52).

33. These alternatives were placed on the agenda of the Co-ordination Committee meeting of 27 May by the Secretary-General, and were also discussed jointly with the Advisory Committee on Administrative and Budgetary Questions on 16 July. There was general agreement that arrival at common standards for pension arrangements was desirable, and that there was an obvious advantage in making the coverage of the United Nations scheme as wide as possible. The decision of an agency to join the United Nations scheme must of course be made individually.

Arrangements for interchange of Personnel

34. In addition to the concern of the Secretary-General for the establishment of common conditions of service to facilitate interchange of personnel, the personnel of the United Nations and the specialized agencies have consulted together to arrive at specific arrangements for temporary or permanent transfers of personnel between agencies. The policy now agreed upon allows for loans of staff for periods not exceeding two weeks on a non-reimbursable basis. Staff may be exchanged for longer periods on projects of mutual concern or on a reimbursable basis in the case of technical or service personnel borrowed for conferences or other exclusive needs. There have been an increasing number of exchanges of interpreters, translators and other conference personnel and a few examples of exchanges of substantive staff.

35. Arrangements for permanent transfers have lagged somewhat behind the developments for short-term loans. Lack of agreements on the terms of such transfers has led to treatment of each individual case on an ad hoc basis, an arrangement which is unsatisfactory from several points of view.

Settlement of disputes

36. Establishment and operation of suitable machinery for the settlement of disputes arising in connexion with the employment of personnel and related matters has thus far proceeded on an individual agency basis.

Administrative and financial services

37. In addition to the loans of conference personnel noted above, the Secretary-General has offered the use of conference and office space, transportation services and certain central administrative services to the specialized agencies in the interest of the objectives set forth in the standard agreements: namely, administrative and technical uniformity and the avoidance of competitive or overlapping facilities and services among the United Nations and the specialized agencies. A considerable number of agencies have availed themselves of these services. The Interim Commissions of the World Health Organization and the International Trade Organization and the Preparatory Commission for the International Refugee Organization have used or requested full administrative and technical services as long as they could be accommodated at the Palais des Nations. Other agencies, namely, the Food and Agriculture Organization, the International Civil Aviation Organization and the World Health Organization, have used complete services for full annual conferences. Almost every agency has used United Nations personnel and facilities for shorter meetings. These developments have saved the Governments substantial amounts in salaries and other expenses for specialized staff on a full-time basis in each agency.

38. The question of equitable arrangements for covering the costs of central administrative, technical or fiscal services or facilities or other special assistance provided by the United Nations has been the subject of extensive consultation with the agencies. The arrangements eventually agreed upon follow the lines established by the Advisory Committee on Administrative and Budgetary Questions at its March session (see first report of 1948, document A/534, paragraph 16). The income and potential income from such reimbursements is reflected in the budget estimates for 1949.

Budgetary and financial arrangements

39. Implementation of clauses in the budgetary and financial articles of the standard agreements not covered in paragraphs 1 - 8 above may be summarized as follows:

- (a) No agency has yet signified willingness to enter into negotiations for a supplementary agreement concerning appropriate arrangements for or the desirability of inclusion of their budget within a general budget of the United Nations. In the opinion of the Secretary-General, such negotiations must await policy consideration of the "feasibility of improved budgetary co-ordination".

/(b) As noted

- (b) As noted above, all agencies having agreements with the United Nations and others expecting to have such agreements have arranged for the transmittal of their budgets or proposed budgets to the Secretary-General at the same time as such budget is transmitted to their members.
- (c) All agencies having standard agreements have agreed to examination of their administrative budgets by the United Nations General Assembly and have been represented at the meeting at which their budgets or proposed budgets were discussed.
- (d) The question of the common collection of contributions from those members of the specialized agency which are also Members of the United Nations has been discussed only at a technical level so far, and no supplementary agreements have been reached.
- (e) Special studies have been undertaken of the organization of administrative and financial systems of the United Nations and the specialized agencies, as noted above, of contributions scales of all agencies, of audit practices, currency exchange problems related to contributions to international organizations, of the financial regulations of each agency, and of staff contribution schemes.

40. In conclusion, the Secretary-General wishes to call to the attention of the General Assembly the spirit of co-operation in which all the specialized agencies have undertaken, in pursuance of resolutions 81(I) and 125(II) of the General Assembly, a somewhat onerous series of consultations, questionnaires and special studies relating to administrative and budgetary questions.

ANNEX

FEASIBILITY OF IMPROVED BUDGETARY CO-ORDINATION OF THE
UNITED NATIONS AND THE SPECIALIZED AGENCIES

Statement of the Co-ordination Committee at its fourth session

Lake Success. 28 May 1948

1. In addition to requesting recommendations concerning measures for achieving greater uniformity in budget presentation, General Assembly resolution 125 (II) of 20 November 1947 calls upon the Secretary-General, in consultation with the Co-ordination Committee and with the Advisory Committee to report to the Economic and Social Council and to the third regular session of the General Assembly on "the feasibility of improved budgetary co-ordination between the United Nations and the specialized agencies". In informing the third session of the Co-ordination Committee of the Assembly's request, the Secretary-General explained that the terms of the resolution represented a compromise between divergent views within the Assembly as to the extent to which the principle of a consolidated United Nations-specialized agencies budget was desirable and/or practicable. The Secretary-General explained also that it was clear from the records of the Assembly discussion that the obligation remained to continue exploration of the problems relating to the achievement of a consolidated budget, as agreed by the Co-ordination Committee at the second session. He remained free, however, to suggest and to collaborate in alternative methods of improving budgetary co-ordination in so far as these would serve to promote the purposes which the General Assembly had in view.

2. The Committee agreed, at the second session, that each agency (other than the Bank and Fund) would transmit a note to the Secretary-General on this question by March 1948, as a basis for discussion at its next meeting. Written statements, expressing substantially identical conclusions, were received from the ILO, ICAO and UNESCO. At the second session of the preparatory Committee, FAO associated itself fully with these conclusions, which were endorsed also by WHO, whose representative could not, however, speak formally in view of that organization's interim character. The views expressed may be summarized as follows:

(a) That the purposes for which improved budgetary co-ordination has been suggested can best be attained by intensifying the efforts that are being made to secure the most efficient working of the machinery already established (the Economic and Social Council, Advisory

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Committee, Co-ordination Committee and the various consultative committees set up at the Secretariat level) through the operation of which duplication of effort can be increasingly avoided and constructive co-ordination increasingly effected;

(b) That, since programme co-ordination is basic to budgetary co-ordination, special importance should be attached to the reports on activities and work programmes which all agencies have agreed to furnish;

(c) That, having regard to the further improvements which experience should make possible, the arrangements agreed upon for the purpose of facilitating comparative analyses of the different budgets will enable the Assembly, in considering the recommendations which it may wish to make to the specialized agencies, to have a complete picture of their budgetary requirements;

(d) That it would be premature to attempt to go further than this in the direction of "improved budgetary co-ordination" at the present stage.

3. In reaching these conclusions, the Committee re-examined its own views with respect to the constitutional, policy and technical aspects of possible arrangements for presenting budgets of specialized agencies for approval by the General Assembly, as presented in paragraph 31 (c) of the first report of the Co-ordination Committee to the Economic and Social Council. It appeared to the Committee desirable to reaffirm most of these points with some elaboration resulting from further experience and discussion by the appropriate organs of several of the agencies.

The view was expressed by members of the Committee in 1947, and again in 1948, that eventual consolidation of the budgets of the various international organizations could not easily be envisaged unless the executive and legislative conditions for approving the budgets were comparable to those applicable to a national government.

To secure the approval of a consolidated budget there would need to be, inter alia:

(a) A constitutional transfer of budget-making powers from the constituent assemblies to the General Assembly;

(b) Changes in the character of General Assembly delegations;

(c) Provision by the General Assembly for a lengthening of its session sufficient to permit it to perform at one time and place the budget task now performed by the financial committees, governing bodies and conferences of the various individual agencies; and

/(d) A means

(d) A means of overcoming the problem arising from divergence of membership, inasmuch as none of the specialized agencies have as members all the Governments represented in the United Nations while some have as members Governments which do not belong to the United Nations and therefore are not represented in the General Assembly. This situation would make it difficult, if not impossible, for the members of specialized agencies not Members of the United Nations to enjoy an equal voice in the adoption of the budget of agencies of which they are members, and would involve vesting in Members of the United Nations not members of specialized agencies a measure of responsibility in regard to these budgets which would not be acceptable to the annual conferences of the agencies concerned.

The Co-ordination Committee had also noted, in 1947, a report which its Consultative Committee on Budgetary and Financial Arrangements submitted on certain technical and procedural aspects of possible arrangements for approval by the General Assembly of specialized agency budgets. It was clear that solutions to a number of complicated technical problems would need to be found even after the constitutional and policy questions involved had been resolved.

In view of considerations such as those mentioned above, the Co-ordination Committee came to the unanimous conclusion that a consolidated budget to be approved by the General Assembly, however desirable it might perhaps be as a long-term development of international institutions, is not immediately practicable and could only be achieved by a whole series of related decisions and not by unilateral action of the General Assembly.

The Committee, however, considered that there is already machinery provided in the Charter and in the agreements for achieving the objectives for which the consolidated budget is proposed, namely, overall economy and efficiency; and that, as the budgets of the agencies have been furnished to the United Nations in 1947 and 1948, this machinery can now be given a fair trial.

4. The Committee feels that its meeting in 1947 with the Advisory Committee initiated a most valuable co-operation between the two Committees, and hopes that in subsequent meetings the question mentioned above may be further explored.

As an addition to this machinery, the suggestion was made that the United Nations Advisory Committee on Administrative and Budgetary Questions might meet from time to time with representatives of the finance committees of the specialized agencies in order to discuss further measures to secure efficiency and economy.

5. It is apparent

5. It is apparent that, apart from any question of its ultimate desirability, the constitutional and political prerequisites for a consolidated budget are not capable of immediate or early fulfilment. So long as these circumstances obtain, the Co-ordination Committee is of the opinion that there is no advantage in continuing to explore this question, and that the collective efforts and experience of the United Nations and the agencies might more profitably be directed to development of alternative methods and techniques of co-ordination and, in particular, to the improvement and strengthening of the process of review and examination of budgets by the Advisory Committee and by the General Assembly.

6. It follows from the above review of the situation that any steps in the direction of a more integrated budgetary system could only be taken if the representatives of Governments who are responsible for deciding the questions of policy involved in the General Assembly and in the conferences of the various agencies were to take parallel action in these different bodies. This does not, however, lessen, but rather increases the responsibility of every United Nations organization to ensure by all the means within its power that available resources are wisely and prudently expended, with proper regard not only to its own particular interests but equally to the wider interests of the United Nations as a whole. The Co-ordination Committee therefore believes it is of the greatest importance that, in the field of budgetary co-ordination, the United Nations and the specialized agencies should strive to give full effect to the recommendations and suggestions of the General Assembly, the Council and the Advisory Committee, as well as to the policies and procedures agreed upon in the Co-ordination Committee and its subsidiary bodies with special reference to:

- (a) Implementation of recommendations which the General Assembly may make;
- (b) Active consultation between the United Nations and the specialized agencies in the preparation (at all stages) of their budgets;
- (c) The role the Economic and Social Council should play in the development of an overall work programme and the importance in relation thereto of adequate reports on activities and future programmes; and
- (d) The desirability of achieving a greater measure of uniformity of administrative and financial practice and procedures, particularly with respect to internal financial controls and external audit arrangements.