



General Assembly

Distr.
GENERALA/35/481
26 September 1980

ORIGINAL: ENGLISH

Thirty-fifth session
Agenda item 94ADMINISTRATIVE AND BUDGETARY CO-ORDINATION OF THE
UNITED NATIONS WITH THE SPECIALIZED AGENCIES AND
THE INTERNATIONAL ATOMIC ENERGY AGENCYReport of the Advisory Committee on Administrative
and Budgetary Questions

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 4	3
II. GENERAL OBSERVATIONS AND COMPARATIVE TABLES	5 - 15	4
Table A.1. Total amounts of approved regular budgets		5
Table A.2. Total net contributions of Member States		7
Table B. Established posts		8
Table C. Regular budget contributions to technical co-operation activities		10
Table D. Working Capital Fund		12
Table E. Scales of assessment		13
III. COMMENTS ON THE BUDGETS OF THE AGENCIES	16 - 183	18
A. International Labour Organisation	16 - 28	18
B. Food and Agriculture Organization of the United Nations	29 - 37	22

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
C. United Nations Educational, Scientific and Cultural Organization	38 - 55	25
D. International Civil Aviation Organization	56 - 69	33
E. Universal Postal Union	70 - 79	38
F. World Health Organization	80 - 88	40
G. International Telecommunication Union	89 - 105	43
H. World Meteorological Organization	106 - 111	47
I. Inter-Governmental Maritime Consultative Organization	112 - 124	50
J. World Intellectual Property Organization	125 - 143	55
K. International Fund for Agricultural Development . . .	144 - 169	61
L. International Atomic Energy Agency	170 - 183	68

INTRODUCTION

1. In accordance with its terms of reference, 1/ the Advisory Committee on Administrative and Budgetary Questions met in 1980 with the executive heads (or their senior representatives) of the following agencies and organizations, whose agreements with the United Nations provide for transmittal of their budgets for review by the General Assembly: the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization (ICAO), the Universal Postal Union (UPU), the World Health Organization (WHO), the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), the Inter-Governmental Maritime Consultative Organization (IMCO), the World Intellectual Property Organization (WIPO), the International Fund for Agricultural Development (IFAD), and the International Atomic Energy Agency (IAEA).

2. The Advisory Committee extends its thanks to the executive heads of the agencies for their assistance in connexion with the preparation of this report.

3. Section II below contains tables with comparative data on the agencies and the United Nations. Section III deals with the budgets of individual agencies, with main focus on the approved budgets or budget estimates for 1981 (with the exception of IFAD) as compared to the budgets for 1980.

4. The material on IFAD relates to the 1980 budget, since the Fund has not provided the Committee with information on its 1981 budget. The material included in this report was to have been issued as document A/34/684/Add.1, but it reached the Committee after closure of the thirty-fourth session of the General Assembly. In this connexion, the Advisory Committee recalls that article VII, paragraph 3, on the relationship agreement between the United Nations and IFAD annexed to General Assembly resolution 32/107 of 15 December 1977 states that

"3. The Fund shall transmit its administrative budget to the United Nations so as to enable the General Assembly of the United Nations to examine it and make recommendations, in accordance with paragraph 3 of Article 17 of the Charter of the United Nations."

The Advisory Committee draws attention to the fact that a practice whereby the administrative budget of IFAD is communicated to the General Assembly only after it has been approved by all the competent organs of the Fund and after much of the financial period has elapsed, is not in accordance with the provision of the relationship agreement quoted above. Accordingly, the Advisory Committee requests that IFAD make every effort to submit its future administrative budgets or budget estimates in time to enable the Committee to include the information in its report to the General Assembly.

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

II. GENERAL OBSERVATIONS AND COMPARATIVE TABLES

5. This section contains six tables which provide comparative data on the following:

- A.1. Total amounts of approved regular budgets, 1972-1981;
- A.2. Total net contributions of Member States actually payable under approved regular budgets, 1972-1981;
- B. Established posts, 1979-1981;
- C. Regular budget contributions to technical co-operation activities, 1979-1981;
- D. Working Capital Fund;
- E. Scales of assessment applicable to 1981.

A table on the collection of contributions will be issued as an addendum to this report.

6. Table A.1 below shows the total amounts of approved regular budgets, including supplementary appropriations or estimates and net of staff assessment, of the United Nations, the specialized agencies and IAEA for the 10-year period 1972-1981. The grand total of regular budgets for 1981 amounts to \$1,411.8 million of which \$531.6 million relates to the United Nations and \$880.2 million to the specialized agencies (excluding IFAD) and IAEA.

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Table A.1

Total amounts of approved regular budgets, including supplementary estimates

(in United States dollars) a/

Organization	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
United Nations	183 740 200	204 970 400	264 549 000	264 549 000	336 844 450	336 844 450	458 137 065	458 137 065	531 594 450	531 594 459
ILO	35 751 500	35 751 500	47 534 500	47 534 500	80 308 203	80 308 203	100 534 830	100 534 829	104 962 658	104 962 659
FAO	40 830 000	40 830 000	54 400 000	54 400 000	83 500 000	83 500,000	105 675 000	105 675 000	139 370 000	139 370 000
UNESCO	46 020 580	65 277 000	65 277 000	88 546 000	88 546 000	112 206 500	112 206 500	151 500 000	151 500 000	202 504 000 <u>b/</u>
WHO	86 034 290	96 682 900	108 799 800	119 310 000	138 910 000	147 184 000	171 600 000	182 730 000	213 645 000	213 645 000
ICAO	8 818 237	109 692 951	12 121 435	14 295 595	16 756 438	18 223 111	18 924 400	20 187 400	21 927 400	23 025 000 <u>b/</u>
UPU	2 074 316	2 877 813	4 039 124	4 365 000	5 614 016	6 467 373	8 343 584	10 862 625	10 184 000	10 752 656
ITU	9 020 500	13 513 094	18 545 037	21 183 308	25 566 311	31 032 350	38 174 335	44 363 125	43 665 312	47 462 500
WMO	4 381 730	5 497 700	6 750 030	8 679 540	10 201 210	10 353 900	14 632 859	16 318 950	17 495 000	18 663 800
IMCO	1 969 900	2 075 156	2 924 000	3 226 265	5 259 800	5 989 600	6 034 400	6 626 900	9 651 100	12 813 500 <u>b/</u>
WIPO	3 034 211	4 094 375	5 430 292	6 613 534	8 524 590	11 386 175	14 746 243	15 961 272	17 429 480 <u>b/</u>	18 338 728 <u>b/</u>
IFAD	-	-	-	-	-	-	6 943 380	10 450 000	12 648 000	n.a.
IAEA	16 804 196	19 935 786	24 320 843	32 175 000	37 236 299	46 341 000	53 079 000	66 377 000	80 643 000	88 677 000 <u>b/</u>
Specialized agencies and IAEA	254 739 460	297 228 275	350 142 061	400 328 742	500 422 867	552 992 212	650 894 530	731 587 102	823 320 950	880 214 843 <u>c/</u>
GRAND TOTAL	438 479 660	502 198 675	614 691 061	664 877 742	837 267 317	889 836 662	1 102 088 215	1 179 274 167	1 354 915 400	1 411 809 293 <u>c/</u>

a/ Figures representing biennial budgets are divided into two equal figures. Budgets expressed in Swiss francs are converted into dollars at the United Nations operational rate of exchange at the end of each year, except for the 1980 and 1981 figures, which have been converted at the December 1979 rate. Rates used are as follows (Swiss francs to the dollar): 1972 - 3.80, 1973 - 3.20, 1974 - 2.74, 1975 - 2.66, 1976 - 2.44, 1977 - 2.17, 1978 - 1.73, 1979-1981 - 1.60.

b/ Proposed or preliminary figure

c/ Excluding IFAD.

n.a. = not available.

7. The amounts of the approved regular budgets of the agencies shown in the above table may vary from those indicated in the chapters on the budgets of individual agencies in previous reports by the Advisory Committee. Such variations are attributable to differences in presentation, including the use of different exchange rates.

8. Table A.2 below, which supplements table A.1, shows the regular budget assessment levels, i.e. after deduction of income and reimbursement of programme support costs, for the United Nations, the specialized agencies and IAEA for the 10-year period 1972-1981.

Table A.2

Total net contributions of Member States actually payable under
approved regular budgets, including supplementary estimates

(In United States dollars) a/

Organization	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
United Nations	177 112 261	187 898 126	222 919 784	280 149 489	320 320 848	338 035 102	424 171 439	500 339 574	533 781 593	587 159 752 <u>b/</u>
ILO	34 870 448	34 878 804	45 701 031	45 145 679	81 168 339	79 738 612	65 311 658	90 496 965	116 617 818	94 417 675
FAO	39 810 000	39 810 000	53 560 000	53 560 000	81 590 000	81 590 000	103 765 000	103 765 000	135 570 000	135 570 000
UNESCO	40 650 000	54 720 000	61 720 000	77 890 000	84 990 000	108 150 000	108 150 000	145 200 000	145 200 000	197 500 000 <u>b/</u>
WHO	78 754 400	89 941 400	104 328 800	112 240 000	133 300 000	142 584 000	159 400 000	179 520 000	211 445 000	211 445 000
ICAO	8 884 516	10 091 681	10 047 271	13 196 890	14 114 815	15 009 180	16 490 000	17 710 000	18 560 000	21 230 000 <u>b/</u>
UPU	1 952 436	2 658 075	3 601 467	4 135 782	5 082 361	5 816 682	7 465 682	9 913 800	10 184 000	11 002 656
ITU	7 366 257	9 963 958	15 407 394	16 762 245	19 207 989	25 324 424	32 492 890	33 693 500	34 068 500	37 764 531
WMO	4 379 230	4 996 700	6 720 380	7 975 040	9 826 400	10 319 400	13 195 546	15 814 450	17 495 000	18 582 800
IMCO	1 959 900	2 055 156	2 894 000	3 173 563	5 199 800	5 929 600	5 883 400	6 530 900	9 341 300	12 601 700 <u>b/</u>
WIPO	1 475 789	1 930 625	2 555 474	3 138 346	4 207 377	5 963 133	8 951 445	9 279 191	10 654 375	9 386 875
IAEA	15 397 934	18 258 757	23 474 491	26 681 910	34 255 684	37 006 567	47 263 000	61 522 000	74 920 000	81 669 000 <u>b/</u>
Specialized agencies and IAEA	235 500 910	269 305 156	330 010 308	363 899 455	472 942 765	517 431 598	568 368 621	673 445 806	784 055 993	831 170 237
GRAND TOTAL	412 613 171	457 203 282	552 930 092	644 048 944	793 263 613	855 466 700	992 540 060	1 173 785 380	1 317 837 586	1 418 329 989

a/ Assessments expressed in Swiss francs have been converted to dollars on the same basis as Swiss-franc budget levels (see table A.1).

b/ Proposed or preliminary figure.

9. The number of established posts authorized or requested under the regular budgets for 1979, 1980 and 1981, excluding posts financed from agency support costs, is given in the following table. The grand total of 23,044 established posts for 1981 consists of 11,830 posts in the specialized agencies (excluding IFAD) and IAEA and 11,214 posts in the United Nations.

Table B. Established posts
(Excluding posts financed from agency support costs)

Organization	1979	1980	1981	1981/1979	Per- centage	1981/1980	Per- centage
				increase (decrease)		increase (decrease)	
ILO	1,253	1,253 <u>a/</u>	1,253 <u>a/</u>	-	-	-	-
FAO	2,433	2,467	2,467	34	1.4	-	-
UNESCO	2,301	2,310	2,415	114	5.0	105	4.5
ICAO	705	705	694	(11) <u>b/</u>	(1.6)	(11)	(1.6)
UPU	117	120 <u>c/</u>	121 <u>c/</u>	4	3.4	1	0.8
WHO	2,297	2,185	2,185	(112)	(4.9)	-	-
ITU	512	514	525	13	2.5	11	2.1
WMO	238	244	244	6	2.5	-	-
IMCO	208 <u>d/</u>	214 <u>d/</u>	217 <u>d/</u>	9	4.3	3	1.4
WIPO	205	235	248	43	21.0	13	5.5
IFAD	140 <u>e/</u>	150	n.a.	n.a.	n.a.	n.a.	n.a.
IAEA	1,455	1,428	1,461	6	0.4	33	2.3
Subtotal (specialized agencies and IAEA)	11,864	11,825	11,830 <u>f/</u>	106 <u>f/</u>	0.9 <u>f/</u>	155 <u>f/</u>	1.3 <u>f/</u>
United Nations	10,864	11,214	11,214	350	3.2	-	0.6
GRAND TOTAL	22,728	23,039	23,044 <u>f/</u>	456 <u>f/</u>	2.0 <u>f/</u>	155 <u>f/</u>	0.6 <u>f/</u>

a/ This figure excludes 39 posts financed from the executing agency costs account and 44 posts financed from other extrabudgetary resources. It represents the number of posts provided for in the 1980-1981 programme and budget as approved by the Conference at its June 1979 session.

b/ Representing posts financed from sources other than the Regular Budget.
(A technical adjustment.)

c/ Excludes 14 posts reimbursed as support costs by UNDP.

d/ Excludes 32 headquarters posts paid from the technical co-operation budget.

e/ Revised figure for 1979.

f/ Excluding IFAD.

n.a. = not available.

10. The only organization reporting a substantial increase in posts in 1981 is UNESCO for which 1981 is the first year of a new budgetary period. The budgetary periods of the other large specialized agencies and the United Nations begin in an even year. This also explains why the increases in budget levels shown in table A.1 are attributable largely to inflation and currency fluctuations rather than to programme changes.

11. Not all established posts are filled on a year-round basis; in recognition of this situation, several agencies apply a vacancy or turnover deduction to their staff costs. On the other hand, all organizations have available to them additional staffing resources under their regular budgets (such as for temporary posts, temporary assistance) and from extrabudgetary resources, including agency support costs. On balance, the total number of staff in posts on a given date tends to be larger than the number of regular-budget established posts. For example, the number of staff of the United Nations and the specialized agencies and IAEA reported to CCAQ as at 31 December 1979 totalled 37,370, of which 23,588 related to the regular budgets (the United Nations 10,584 and the agencies 13,004) and 13,782 to extrabudgetary resources (the United Nations 5,126 and the agencies 8,656).

12. The following table shows the regular budget contributions to technical co-operation activities, as reported by the United Nations, the specialized agencies (other than IFAD) and IAEA for 1979, 1980 and 1981.

Table C. Regular budget contributions to technical co-operation activities

(In thousands of United States dollars)

Organization	1979			1980			1981		
	Regular programme	Excess of support costs over reimbursement	Total	Regular programme	Excess of support costs over reimbursement	Total	Regular programme	Excess of support costs over reimbursement	Total
ILO	9 813	6 392	16 205	10 511	7 829	18 340	10 611	6 864	17 475
FAO	21 440 <u>a/</u>	3 922	25 362	14 000	5 000	19 000	18 638 <u>b/</u>	5 500	24 138
UNESCO	4 377	2 745	7 122	3 824	2 175	5 999	4 998	3 454	8 452
ICAO	-	-	-	-	-	-	-	-	-
UPU	493	434	927	569	610	1 179	738	843	1 581
WHO	116 500	14 500	131 000	132 000	19 000	151 000	132 000	19 000	151 000
ITU <u>c/</u>	1 331	-	1 331	1 384	-	1 384	1 436	-	1 436
WMO	1 509	-	1 509	1 848	-	1 848	1 871	-	1 871
IMCO	-	409	409	-	383	383	-	413	413
WIPO	2 392	-	2 392	2 324	-	2 324	2 343	-	2 343
IAEA	-	500	500	-	600	600	-	600	600
Subtotal (specialized agencies and IAEA)	157 855	28 902	186 757	166 460	35 597	202 057	172 635	36 674	209 309
United Nations	11 010	18 500	29 510	13 624	20 350	33 974	13 625	22 330	35 955
GRAND TOTAL	168 865	47 402	216 267	180 084	55 947	236 031	186 260	59 004	245 264

a/ Includes balance of 1978-1979 appropriation of the Technical Co-operation Programme to be carried forward for use in 1980-1981.

b/ Includes eventual balance of 1980-1981 appropriation of the Technical Co-operation Programme to be carried forward for use in 1982-1983.

c/ All recalculated at 1.60 SF/\$ (official United Nations rate at 31.12.1979).

13. As can be seen from table C the United Nations, the specialized agencies (excluding IFAD) and IAEA estimate that their regular programmes of technical co-operation will amount in 1981 to a total of \$186.2 million, of which \$132 million will be provided by WHO. The assessed budgets of the organizations, in addition to containing provisions for regular programmes of technical co-operation, also contribute towards the support costs of projects executed by the organizations on behalf of funding programmes. As organizations do not have cost accounting, the actual amounts of such contributions are not known, but as an order of magnitude the United Nations, the specialized agencies (excluding IFAD) and IAEA estimate that in 1981 their regular budgets will contribute \$59 million towards the support costs of projects. On that basis, the aggregate amount to be spent by the United Nations, the specialized agencies (excluding IFAD) and IAEA in 1981 from their regular budgets on technical co-operation activities is estimated at \$245.2 million, i.e. 17.4 per cent of their combined regular budgets indicated in table A.1 above.

14. Table D below shows the amounts approved or proposed, for the Working Capital Funds in relation to the gross budgets or budget estimates for 1981 and, where appropriate, to the gross budgets or estimates for the financial periods. The sizes of the Working Capital Funds of the organizations and the percentages those amounts bear to the gross budgets are not directly comparable, the reason being that there is no uniformity in the use to which Working Capital Funds are put by the individual organizations in accordance with their respective constitutional requirements.

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Table D. Working Capital Fund
(In thousands of United States dollars)

Organization	1981 gross budget or budget estimate	Gross budget or estimate for financial period	Working Capital Fund	Percentage of column (3) to column (1)	Percentage of column (3) to (column (2)
ILO	104,962 <u>a/</u>	209,925 <u>a/</u>	8,700 <u>b/</u>	8.29	4.14
FAO	159,510	319,020	6,515 <u>c/</u>	4.1	2.0
UNESCO <u>d/</u>	202,504	620,378	20,000	9.8	3.2
ICAO	27,806	88,717	1,500	5.39	1.69
UPU <u>e/</u>	-	-	-	-	-
WHO	238,468	477,135	11,128	4.67	2.33
ITU <u>e/</u>	-	-	-	-	-
WMO	21,324 <u>f/</u>	87,158 <u>g/</u>	2,500	11.72	2.87
IMCO	12,814	22,465	250	2.0	1.1
WIPO	18,338	-	1,450	-	-
IAEA	88,677	-	2,000	2.3	-
United Nations	623,897	1,247,793	40,000	6.4	3.2

a/ This figure relates to the Effective Working Budget, i.e., the total budget for the period less the Undistributed Reserve corresponding to the amount of the contributions assessed on those member States which are not participating in any way in the work of the Organisation and are not paying their assessed contributions.

b/ No specific level is set for the Working Capital Fund; the amount here shown is the estimated cash level of the Fund at 1 January 1981.

c/ Assessed level.

d/ In view of the fact that the proposed Budget Estimates for 1981-1983 amount to \$620,378,000, the Director-General is proposing that the level of the Working Capital Fund be raised from \$16,800,000 to \$20,000,000 for the next three years.

e/ Organization has no working capital fund.

f/ Net budget: \$18,663,800 plus staff assessment estimated at \$2,660,200.

g/ For the financial period 1980-1983, the net budget is \$74.4 million plus staff assessment estimated at \$12,758,000.

15. The following data have been provided in response to the Advisory Committee's request for the 1981 scales of assessment (in percentage) applied to States Members of the United Nations and members of specialized agencies and IAEA.

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Table E. Scales of assessment applicable to 1981
(in percentage)

Members <u>a/</u>	United Nations	ILO	FAO	UNESCO <u>b/</u>	ICAO <u>c/</u>	UPU	WHO	ITU	WMO	IMCO	WIPO <u>d/</u>	IAEA
Afghanistan	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	0.01
Albania	0.01	-	0.01	0.01	-	0.09	0.01	0.12	0.05	-	-	0.01
Algeria	0.12	0.12	0.15	0.12	0.18	0.48	0.12	0.23	0.09	0.32	0.26	0.12
Angola	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.04	-	-
Argentina	0.78	0.77	0.95	0.77	0.87	1.90	0.77	0.70	1.34	0.58	1.76	0.79
Australia	1.83	1.82	2.24	1.81	1.89	2.38	1.80	4.21	1.79	0.42	2.69	1.85
Austria	0.71	0.70	0.87	0.70	0.54	0.48	0.70	0.23	0.58	0.04	1.58	0.72
Bahamas	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	0.05	0.05	0.14	-
Bahrain	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	-	0.02	-	-
Bangladesh	0.04	0.04	0.05	0.04	0.08	1.43	0.04	0.23	0.05	0.09	-	0.04
Barbados	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	-
Belgium	1.22	1.21	1.49	1.21	1.11	1.43	1.20	1.17	1.25	0.45	2.69	1.23
Benin	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.26	-
Bhutan	0.01	-	-	-	-	0.09	-	-	-	-	-	-
Bolivia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.22	-	-	0.01
Botswana	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Brazil	1.27	1.26	1.55	1.26	1.42	2.38	1.25	1.17	1.34	0.98	2.73	1.28
Bulgaria	0.16	0.16	0.20	0.16	0.18	0.29	0.16	0.23	0.36	0.30	0.41	0.16
Burma	0.01	0.01	0.01	0.01	0.06	0.29	0.01	0.12	0.17	0.04	-	0.01
Burundi	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.07	-
Byelorussian Soviet Socialist Republic . . .	0.39	0.39	-	0.39	-	0.29	0.38	0.23	0.49	-	0.03	0.40
Canada	3.28	3.26	4.01	3.24	3.16	4.76	3.22	4.21	2.64	0.76	2.74	3.32
Cape Verde	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	-
Central African Republic .	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.24	-
Chad	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.14	-
Chile	0.07	0.07	0.09	0.07	0.15	0.48	0.07	0.23	0.36	0.15	0.18	0.07
China	1.62	1.61	1.98	1.60	1.17	4.76	1.59	4.68	3.85	1.54	-	-
Colombia	0.11	0.11	0.13	0.11	0.25	0.29	0.11	0.70	0.31	0.09	-	0.11
Comoros	0.01	0.01	0.01	0.01	-	0.09	0.01	0.12	0.05	-	-	-
Congo	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	0.14	-
Costa Rica	0.02	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.09	-	0.05	0.02
Cuba	0.11	0.11	0.13	0.11	0.13	0.29	0.11	0.23	0.26	0.23	0.23	0.11
Cyprus	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.59	0.41	0.01
Czechoslovakia	0.83	0.82	1.02	0.82	0.61	0.95	0.82	0.70	0.94	0.06	1.84	0.84
Democratic Kampuchea . . .	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	0.01
Democratic People's Republic of Korea . . .	-	-	0.06	0.05	0.07	0.48	0.05	0.12	0.09	-	0.03	0.05
Democratic Yemen	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Denmark	0.74	0.73	0.91	0.73	0.65	0.95	0.73	1.17	0.71	1.34	1.96	0.75
Djibouti	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	0.05	0.02	-	-
Dominica	0.01	-	0.01	0.01	-	0.09	-	-	0.05	0.02	-	-
Dominican Republic	0.03	0.03	0.04	0.03	0.06	0.29	0.03	0.12	0.09	0.03	0.23	0.03
Ecuador	0.02	0.02	0.02	0.02	0.06	0.29	0.02	0.23	0.09	0.08	-	0.02
Egypt	0.07	0.07	0.09	0.07	0.19	1.43	0.07	0.47	0.45	0.15	0.38	0.07

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Table E (continued)

Members a/	United Nations	ILO	FAO	UNESCO b/	ICAO c/	UPU	WHO	ITU	WMO	IMCO	WIPO d/	IAEA
El Salvador	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	0.01
Equatorial Guinea	0.01	-	-	0.01	0.06	0.29	0.01	0.12	-	0.02	-	-
Ethiopia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.05	0.03	-	0.01
Fiji	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	0.05	-	0.06	-
Finland	0.48	0.47	0.59	0.47	0.41	0.95	0.47	0.70	0.53	0.62	1.84	0.49
France	6.26	6.21	7.66	6.19	5.68	4.76	6.15	7.02	4.65	2.90	5.54	6.33
French Overseas Territories	-	-	-	-	-	-	-	-	0.10 e/	-	-	-
Gabon	0.02	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.05	0.04	0.14	0.02
Gambia	0.01	-	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	-
German Democratic Republic	1.39	1.38	-	1.37	-	1.43	1.37	0.70	1.38	0.39	2.46	1.41
Germany, Federal Republic of	8.31	8.25	10.17	8.22	6.68	4.76	8.17	5.85	4.92	2.09	6.16	8.40
Ghana	0.03	0.03	0.04	0.03	0.06	0.29	0.03	0.23	0.13	0.07	0.08	0.03
Greece	0.35	0.35	0.43	0.35	0.47	0.29	0.34	0.23	0.26	8.96	0.57	0.35
Grenada	0.01	0.01	0.01	0.01	-	0.09	0.01	-	-	-	-	-
Guatemala	0.02	0.02	0.02	0.02	0.06	0.29	0.02	0.23	0.09	-	-	0.02
Guinea	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.03	-	-
Guinea-Bissau	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	-
Guyana	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Haiti	0.01	0.01	0.01	0.01	0.06	0.29	0.01	0.12	0.05	0.02	0.23	0.01
Holy See	-	-	-	-	-	0.09	-	0.12	-	-	0.41	0.01
Honduras	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.07	-	-
Hong Kong	-	-	-	-	-	-	-	-	0.05	0.19	-	-
Hungary	0.33	0.33	0.40	0.33	0.33	0.95	0.32	0.23	0.53	0.04	0.63	0.33
Iceland	0.03	0.03	0.04	0.03	0.08	0.09	0.03	0.12	0.09	0.06	0.41	0.03
India	0.60	0.59	0.73	0.59	0.90	2.38	0.59	3.04	1.83	1.42	0.59	0.61
Indonesia	0.16	0.16	0.20	0.16	0.29	0.95	0.16	0.23	0.62	0.34	0.78	0.16
Iran	0.65	0.64	0.80	0.64	0.49	0.48	0.64	0.23	0.40	0.31	0.78	0.66
Iraq	0.12	0.12	0.15	0.12	0.18	0.48	0.12	0.12	0.09	0.34	0.23	0.12
Ireland	0.16	0.16	0.20	0.16	0.19	0.95	0.16	0.47	0.26	0.07	1.84	0.16
Israel	0.25	0.25	0.31	0.25	0.37	0.29	0.24	0.23	0.26	0.13	0.54	0.25
Italy	3.45	3.42	4.22	3.41	2.91	2.38	3.39	2.34	2.24	2.84	2.26	3.49
Ivory Coast	0.03	0.03	0.04	0.03	0.06	0.29	0.03	0.23	0.09	0.07	0.26	0.03
Jamaica	0.02	0.02	0.02	0.02	0.07	0.09	0.02	0.12	0.09	0.02	0.03	0.02
Japan	9.58	9.51	11.73	9.48	7.99	4.76	9.42	4.68	2.55	9.61	5.99	9.69
Jordan	0.01	0.01	0.01	0.01	0.09	0.09	0.01	0.12	0.05	0.02	0.08	0.01
Kenya	0.01	0.01	0.01	0.01	0.06	0.29	0.01	0.12	0.05	0.03	0.23	0.01
Kuwait	0.20	0.20	0.25	0.20	0.23	0.48	0.20	0.23	0.13	0.60	-	0.20
Lao People's Democratic Republic	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Lebanon	0.03	0.03	0.04	0.03	0.28	0.09	0.03	0.23	0.09	0.08	0.44	0.03
Lesotho	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Liberia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.05	19.52	-	0.01
Libyan Arab Jamahiriya	0.23	0.23	0.28	0.23	0.19	0.48	0.22	0.35	0.09	0.23	0.41	0.23

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Table E (continued)

Members a/	United Nations	ILO	FAO	UNESCO b/	ICAO c/	UPU	WHO	ITU	WMO	IMCO	WIPO d/	IAEA
Liechtenstein	-	-	-	-	-	0.09	-	0.12	-	-	0.15	0.01
Luxembourg	0.05	0.05	0.06	0.05	0.06	0.29	0.05	0.12	0.09	-	0.22	0.05
Madagascar	0.01	0.01	0.01	0.01	0.06	0.29	0.01	0.23	0.05	0.04	0.26	0.01
Malawi	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.08	-
Malaysia	0.09	0.09	0.11	0.09	0.17	0.29	0.09	0.70	0.36	0.17	-	0.09
Maldives	0.01	-	0.01	-	0.06	0.09	0.01	0.12	0.05	0.04	-	-
Mali	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.06	0.01
Malta	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.05	0.14	-
Mauritania	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	0.14	-
Mauritius	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.03	0.08	0.01
Mexico	0.76	0.75	0.93	0.75	0.97	1.43	0.75	0.70	0.85	0.24	1.37	0.77
Monaco	-	-	-	0.01	0.06	0.09	0.01	0.12	-	-	0.18	0.01
Mongolia	0.01	0.01	0.01	0.01	-	0.09	0.01	0.12	0.05	-	-	0.01
Morocco	0.05	0.05	0.06	0.05	0.14	0.48	0.05	0.23	0.17	0.11	0.44	0.05
Mozambique	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	-
Namibia	-	0.01	0.01	-	-	-	0.01	-	-	-	-	-
Nauru	-	-	-	-	0.06	0.09	-	0.12	-	-	-	-
Nepal	0.01	0.01	0.01	0.01	0.06	0.29	0.01	0.12	0.05	0.02	-	-
Netherlands	1.63	1.62	2.00	1.61	1.81	1.43	1.60	2.34	1.12	1.31	3.11	1.65
Netherlands Antilles	-	-	-	-	-	0.09	-	-	0.05	-	-	-
New Zealand	0.27	0.27	0.33	0.27	0.37	1.90	0.26	0.70	0.53	0.08	0.68	0.27
Nicaragua	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.05	-	-	0.01
Niger	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.14	0.01
Nigeria	0.16	0.16	0.20	0.16	0.21	0.95	0.16	0.47	0.26	0.11	0.23	0.16
Norway	0.50	0.49	0.61	0.49	0.49	0.95	0.49	1.17	0.62	5.37	1.84	0.51
Oman	0.01	-	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	-
Pakistan	0.07	0.07	0.09	0.07	0.30	1.43	0.07	0.47	0.22	0.13	0.18	0.07
Panama	0.02	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.09	5.36	-	0.02
Papua New Guinea	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.03	-	-
Paraguay	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	0.01
Peru	0.06	0.06	0.07	0.06	0.12	0.29	0.06	0.12	0.31	0.18	-	0.06
Philippines	0.10	0.10	0.12	0.10	0.26	0.09	0.10	0.23	0.40	0.41	0.41	0.10
Poland	1.24	1.23	1.52	1.23	1.05	0.95	1.22	0.70	1.30	0.88	1.60	1.25
Portugal	0.19	0.19	0.23	0.19	0.36	0.48	0.19	0.12	0.26	0.31	1.17	0.19
Qatar	0.03	0.03	0.04	0.03	0.06	0.48	0.03	0.12	0.09	0.04	0.10	0.03
Republic of Korea	-	-	0.18	0.15	0.50	0.95	0.15	0.23	0.17	0.97	-	0.15
Romania	0.21	0.21	0.26	0.21	0.28	0.48	0.20	0.23	0.40	0.45	1.12	0.21
Rwanda	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Saint Lucia	0.01 f/	0.01	0.01	0.01	0.06	-	-	-	-	-	-	-
Samoa	0.01	-	0.01	-	-	-	0.01	-	-	-	-	-
San Marino	-	-	-	0.01	-	0.09	0.01	0.12	-	-	0.23	-
Sao Tome and Principe	0.01	-	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	-	-
Saudi Arabia	0.58	0.57	0.71	0.57	0.36	2.38	0.57	0.23	0.17	0.37	-	0.59
Senegal	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.05	0.03	0.26	0.01

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Table E (continued)

Members <u>a/</u>	United Nations	ILO	FAO	UNESCO <u>b/</u>	ICAO <u>c/</u>	UPU	WHO	ITU	WMO	IMCO	WIPO <u>d/</u>	IAEA
Seychelles	0.01	0.01	0.01	0.01	0.06	0.09	0.01	-	0.05	0.02	-	-
Sierra Leone	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	0.01
Singapore	0.08	0.08	-	0.08	0.40	0.09	0.08	0.23	0.09	1.90	-	0.08
Solomon Islands	0.01	-	-	-	-	-	-	-	-	-	-	-
Somalia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.04	-	-
South Africa	0.42	-	-	-	0.62	-	0.41	1.87	0.79	-	1.37	0.43
Spain	1.70	1.69	2.08	1.63	1.82	2.38	1.67	0.70	1.25	2.01	2.43	1.72
Sri Lanka	0.02	0.02	0.02	0.02	0.06	0.48	0.02	0.12	0.22	0.04	0.33	0.02
Sudan	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.13	0.03	0.03	0.01
Suriname	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	0.16	-
Swaziland	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	-	-	-	-
Sweden	1.31	1.30	1.60	1.30	1.11	1.43	1.29	2.34	1.38	1.13	3.11	1.33
Switzerland	-	1.04	1.29	1.04	1.20	1.43	1.03	2.34	1.16	0.09	3.23	1.06
Syrian Arab Republic . . .	0.03	0.03	0.04	0.03	0.08	0.09	0.03	0.12	0.17	0.03	0.23	0.03
Thailand	0.10	0.10	0.12	0.10	0.27	0.29	0.10	0.35	0.31	0.11	0.18	0.10
Togo	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.14	-
Tonga	-	-	-	-	-	0.09	0.01	0.12	-	-	-	-
Trinidad and Tobago . . .	0.03	0.03	0.04	0.03	0.06	0.09	0.03	0.23	0.09	0.03	0.23	-
Tunisia	0.03	0.03	0.04	0.03	0.07	0.48	0.03	0.47	0.09	0.05	0.44	0.03
Turkey	0.30	0.30	0.37	0.30	0.38	0.48	0.29	0.47	0.53	0.36	0.41	0.30
Uganda	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.08	0.01
Ukrainian Soviet Socialist Republic . . .	1.46	1.45	-	1.44	-	0.95	1.44	0.70	1.61	-	0.03	1.48
Union of Soviet Socialist Republics . .	11.10	11.02	-	10.98	10.44	2.38	10.91	7.02	10.34	5.59	4.35	11.22
United Arab Emirates . . .	0.10	0.10	0.12	0.10	0.09	0.09	0.10	0.23	-	-	0.10	0.10
United Kingdom of Great Britain and Northern Ireland	4.46	4.43	5.46	4.41	4.86	4.76	4.38	7.02	5.73	6.73	5.62	4.51
United Kingdom Overseas Territories . .	-	-	-	-	-	0.48	-	-	0.05 <u>g/</u>	-	-	-
United Republic of Cameroon	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.03	0.26	0.01
United Republic of Tanzania	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.04	0.23	0.01
United States of America	25.00	25.00	25.00	25.00	25.00	4.76	25.00	7.02	24.55	4.30	5.67	25.00
Upper Volta	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	-	0.14	-
Uruguay	0.04	0.04	0.05	0.04	0.06	0.29	0.04	0.12	0.31	0.07	0.41	0.04
Venezuela	0.50	0.49	0.61	0.49	0.52	0.29	0.49	0.70	0.53	0.23	-	0.51
Viet Nam	0.03	0.03	0.04	0.03	0.06	0.09	0.03	0.12	0.09	-	0.23	0.03
Yemen	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.05	0.02	-	-
Yugoslavia	0.42	0.42	0.51	0.42	0.47	0.48	0.41	0.23	0.53	0.60	1.50	0.43
Zaire	0.02	0.02	0.02	0.02	0.06	0.29	0.02	0.23	0.17	0.04	0.41	0.02
Zambia	0.02	0.02	0.02	0.02	0.06	0.29	0.02	0.12	0.09	-	0.08	0.02
Zimbabwe	-	0.01	-	-	-	-	0.01	-	-	-	0.23 <u>h/</u>	-

(Foot-notes on following page)

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(Foot-notes to table E)

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

b/ Subject to approval by the UNESCO General Conference at its twenty-first session.

c/ Subject to approval by the ICAO Assembly at its twenty-third session.

d/ The percentages shown are those of contributions payable in 1980; no significant change is expected in 1981.

e/ French Polynesia, New Caledonia.

f/ Subject to approval by the General Assembly at its thirty-fifth session.

g/ British Caribbean Territories.

h/ Provided it becomes a Member State before 1 January 1981.

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III. COMMENTS ON THE BUDGET OF THE AGENCIES

A. International Labour Organisation

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Revised effective working budget for 1980-1981	209,925,317
Effective working budget for 1987-1979 (as revised by Conference in June 1978)	201,069,659
Effective working budget for 1978-1979 as adjusted by Governing Body	174,625,571
Increase in relation to effective working budget for 1978-1979	4.40 per cent
Increase in relation to adjusted effective working budget for 1978-1979	20.21 per cent

16. The Advisory Committee discussed the programme and budget of the International Labour Organisation (ILO) with representatives of the Director-General of the Organisation.

1. Appropriations for 1978-1979

17. The revised programme and budget for 1978-1979 approved by the Conference in June 1978 amounted to \$207,655,425, comprising an Effective Working Budget of \$201,069,659 and an Undistributed Reserve of \$6,585,766, corresponding to the assessment in 1979 of the one State Member which at that time was not actively participating in the work of the Organisation. The Director-General was, however, authorized to carry out only part of the programme contained in the approved programme and budget as a result of programme reductions of some \$36.6 million made by the Governing Body following the withdrawal of the United States of America from membership of the Organisation in November 1977 and the consequent loss of its 25 per cent contribution. The reduced programme was to be financed in part by voluntary contributions, expected to amount to some \$5.7 million.

18. The revised programme and budget included a new Part IV in the amount of \$30,588,870 to cover the additional costs resulting from a change in the budgetary exchange rate from 2.51 to an estimated average of 1.965 Swiss francs to one US dollar for the biennium as a whole. It was expected that this amount after allowing for non-receipt of contributions from two States would yield a net amount of \$22.5 million, corresponding to the additional cost of the reduced programme. The revised programme and budget also included an additional assessment of \$1,355,739 required under the Financial Regulations to provide for the reimbursement to the Working Capital Fund of an amount withdrawn in 1976-1977 to finance supplementary credits approved by the Governing Body.

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19. The United States dollar-Swiss franc exchange rate continued to decline after June 1978, increasing the estimated cost of the reduced programme by a further \$15,120,000. To meet this, the Governing Body in November 1979 approved expenditure of the balance of \$8,088,870 remaining in Part IV and a supplementary credit of \$7,031,130. The actual average exchange rate during the biennium was 1.73 Swiss francs to one United States dollar and the supplementary credit was utilized to the extent of \$6,308,605.

20. During the remainder of the biennium the Governing Body approved further supplementary expenditure to meet unforeseen needs, including a payment of \$1.5 million to the Working Capital Fund of the Organisation's International Centre for Advanced Technical and Vocational Training in Turin, to be repaid at the earliest possible opportunity. (Further action in relation to the Centre is described in paragraphs 23-24 below.) It also approved expenditure of the amount of voluntary contributions received in excess of \$5.7 million, namely \$844,108, bringing the authorized level of expenditure to \$174,625,571.

21. Actual expenditure in 1978-1979 amounted to \$173,775,899, which was \$849,672 less than the total the Governing Body had authorized and \$36,562,268 less than the combined total of the Effective Working Budget approved by the Conference and the supplementary expenditures, amounting to \$9,268,508 authorized by the Governing Body. Income amounted to \$147,685,932, including \$6,544,108 of voluntary contributions. Of the shortfall of \$26,089,967, \$12,386,982 had been withdrawn from the Working Capital Fund and the balance met by borrowing from other funds available to the Director-General (contributions received in advance and the Terminal Benefits Fund) and bank borrowing. Since the 1978-1979 programme and budget had included an amount of \$5 million for advance reimbursement to the Working Capital Fund in 1978 of part of any withdrawal necessary to finance a budgetary shortfall (the likelihood of which because of the expected non-payment of contributions by one Member State had been foreseen when the budget was originally drawn up), the amount remaining to be reimbursed to the Fund and other sources was \$21,089,967. In accordance with the Financial Regulations this amount would normally be assessed on States Members in 1981. With the resumption of membership by the United States on 18 February 1980, however, additional income of \$22,131,752 corresponding to the United States assumed assessment for 1980 was expected to be available and, on the recommendation of the Governing Body, the Conference at its session in June 1980 decided that part of this contribution be used to cover the deficit. This procedure constitutes an exception to the Financial Regulations, under which the amount of any surplus of income over expenditure in the 1980-1981 biennium would be reimbursed to States Members in the following biennium.

2. Appropriations for 1980-1981

22. The position with regard to the effective working budget is as stated in last year's report (A/34/684, paras. 21-24) except that, as mentioned above, the Conference in June 1980 decided that \$21,089,967 corresponding to part of the United States' contribution for 1980 be added to the 1980-1981 income budget to cover the reimbursement under Part III (Working Capital Fund) of the expenditure budget of the 1978-1979 cash deficit. Further, the amount of the Undistributed Reserve will be reduced from \$14,943,804 to \$9,016,901 mainly as a result of a

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reduction of the rate of assessment of China as included in the scale of contributions for 1981 adopted by the Conference in June 1980. The following table compares the initial and revised expenditure budgets:

Summarized budget of expenditure for 1980-1981

Expenditure	Revised	Initial
	US\$	US\$
Part I: Ordinary budget	177,500,660	177,500,660
Part II: Unforeseen expenditures	275,000	275,000
Part III: Working Capital Fund	32,149,657	11,059,690
Part IV: Provision for effects of exchange rate adjustments	<u>-</u>	<u>-</u>
EFFECTIVE WORKING BUDGET	209,925,317	188,835,350
Part V: Undistributed Reserve	9,016,801	14,943,804
Total:	<u>218,942,218</u>	<u>203,779,154</u>

23. When putting the question of the use of the United States 1980 contribution to the Governing Body, the Director-General pointed out that should the proposal that it be applied against the 1978-1979 deficit be adopted it was envisaged that at the end of the 1980-1981 financial period there would be a cash deficit of some \$9 million to be financed under article 21.2 of the Financial Regulations by an additional assessment on Member States in 1983. This deficit had been calculated on the basis of a rough estimate of budgetary income and expenditure for the present biennium, taking account only of the effects of inflation which had already occurred and which would push budgetary expenditure up by about \$4 million over the originally estimated figure. The estimated deficit took account of the expected pattern of receipt of contributions, including the United States contribution, assumed an average exchange rate for the biennium of 1.68 Swiss francs to the dollar (the average rate for the first four months of 1980) compared to the budget rate of 1.73, and did not allow for any further supplementary credits during the biennium beyond an amount of \$1.1 million already approved. It should be pointed out that the figure of \$9 million did not take into account the effect of the Governing Body's recommendation to the Conference that the ILO pay up to \$4.5 million in 1980 in settlement of the current liabilities of the Turin Centre (see below). This recommendation having been approved by the Conference, the estimated cash deficit for the 1980-1981 biennium as a whole

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becomes \$13.5 million (of which any part arising in 1980 would be met in accordance with the Financial Regulations, by an additional assessment on Member States in 1982 and the balance by an additional assessment in 1983).

24. In 1980 the Governing Body continued to devote special attention to the finances of the Organisation's International Centre for Advanced Technical and Vocational Training in Turin, which has a separate budget financed from a variety of sources. It had earlier, in November 1979, considered a report of the Board of the Centre and information supplied by the Director-General on the highly critical financial position of the Centre. It noted then that a poor response had been received to an appeal for voluntary contributions from Member States and international organizations and, as mentioned in paragraph 20 above, authorized a payment of \$1.5 million to the Working Capital Fund of the Centre to enable it to meet its immediate liabilities. It also asked the Director-General for a full report on the situation of the Centre, on the ILO's liabilities in the event of the closing of the Centre and on alternative ways of providing a sound financial basis for future operations.

25. At its session in February-March 1980, the Governing Body considered the Director-General's report. It took note of the action already taken, which had made for stricter and more economical management of the Centre's operations, and of the assurances given to it that an attempt would be made to balance the budget in 1980. It decided to recommend to the Conference that it authorize the Director-General to provide an amount of up to \$4.5 million to pay off the outstanding liabilities of the Turin Centre as at 30 June 1980, other than those coming within a normal commercial framework, and to meet the liabilities towards the staff in the event of the closing of the Centre by means of a merger of the reserve fund set up for the purpose by the Centre and the ILO Terminal Benefits Account. Subject to approval of this recommendation (which was accepted by the Conference at its June 1980 session), the Governing Body authorized the financing of the payment of up to \$4.5 million by withdrawal from the Working Capital Fund of the ILO in 1980. To the extent that the withdrawal cannot be reimbursed to the Working Capital Fund in 1980 if total budgetary income falls short of total authorized expenditure in that year it will, in accordance with the Financial Regulations, be reimbursed in 1982 through an additional assessment on States Members. The Governing Body also decided that in transmitting future programme and budget proposals to the Conference it would determine, in the light of information to be submitted by the Director-General on the kind of training in respect of which the Centre best met the developing countries' requirements, whether to include therein credits to provide a contribution towards the Centre's fixed costs.

3. Technical co-operation

26. The position is as described in last year's report (A/34/684, paras. 36-37) except that the amount authorized for technical co-operation in the regular budget is \$10,822,000, as calculated at the budgetary exchange rate of 1.73 Swiss francs to 1 United States dollar (the figure of \$9.65 million quoted in the previous report was calculated for purposes of comparison at 1978-79 cost levels). The number of ILO experts working on projects financed from UNDP and other extrabudgetary sources rose from 680 in May 1979 to 750 in May 1980.

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4. Accommodation

27. The situation is the same as reported to the General Assembly by the Advisory Committee in 1979 (A/33/684, para. 38). It is expected that part of the ILO building will be rented to other international organizations when the International Trade Centre moves out.

5. Scale of assessments

28. The Conference at its June 1980 session approved a scale of assessments for 1981 based on the United Nations scale of assessments for 1980-1982, as adjusted to take into account differences in the membership of the two organizations. As a result of the return of the United States of America to membership of the Organisation on 18 February 1980, the 1981 scale does not, as is the case with the 1980 scale, include an unassessed contribution of 25 per cent and the rates of assessment are expressed in the scale in percentages instead of in seventy-fifths.

B. Food and Agriculture Organization of the United Nations

	\$
Total effective working budget for 1980-1981	278,740,000
Total effective working budget for 1978-1979	<u>211,350,000</u>
Increase	67,390,000
	31.9 per cent

29. The Advisory Committee discussed the budget of FAO for 1980-1981 and other related matters with a representative of the Director-General.

30. The total effective working budget for 1980-1981 approved by the FAO Conference at its twentieth session in November 1979 amounts to \$278,740,000. This represents an increase of \$67,390,000 or 31.9 per cent over the corresponding figure for 1978-1979. In accordance with a decision by the Conference, the budget is based on an exchange rate of 820 Italian lire to the United States dollar.

31. The Advisory Committee reported to the General Assembly at its thirty-fourth session that the proposed budget of the FAO for the biennium 1980-1981 was \$271,660,000, based on an exchange rate of 879 Italian lire to the United States dollar (A/34/684, paras. 43-56). As can be seen from paragraph 30 above, the approved budget amounts to \$278,740,000, based on an exchange rate of 820 Italian lire per United States dollar. Consequently the revaluation has added \$7,080,000 to the budget, as follows:

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	As reported in document A/34/684 of 1979	As approved by Conference at XX session	Increase
Cost increases on 1978-1979 base:	\$46,510,000	\$53,450,000	\$6,940,000
Cost increase on programme changes:	\$ 1,400,000	\$ 1,540,000	\$ 140,000
		Total:	\$7,080,000

32. The representatives of the Director-General informed the Committee that in adopting the Director-General's proposed programme budget for 1980-1981 the FAO Conference had unanimously endorsed the policies, strategies, programmes, priorities and actions on the basis of which the proposed budget had been prepared.

33. The breakdown of the increase in the approved budget for 1980-1981 over the approved budget for 1978-1979 is as follows:

	\$
(a) 1978-1979 approved budget <u>a/</u>	211,350,000
(b) <u>Less:</u> appropriation for 1979 World Conference on Agrarian Reform and Rural Development <u>a/</u>	<u>1,200,000</u>
(c) 1978-1979 base <u>a/</u>	210,150,000
(d) Cost increases <u>b/</u>	<u>53,450,000</u>
	263,600,000
(e) Programme changes <u>a/</u>	13,600,000
(f) Cost increases on (e) <u>b/</u>	<u>1,540,000</u>
(g) 1980-1981 approved budget <u>c/</u>	<u><u>278,740,000</u></u>

a/ At Lire 879 per United States dollar.

b/ Including revaluation to Lire 820 per United States dollar of (c) and (e).

c/ At Lire 820 per United States dollar.

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34. The following table provides a comparison, by appropriation line, between the FAO approved budgets for 1980-1981 and 1978-1979.

(In thousands of United States dollars)			
Appropriation line	1980-1981 approved budget	1978-1979 approved budget	1980-1981 increase (decrease) over 1978-1979
Chapter			
1. General Policy and Direction	22,125	17,355	4,770
2. Technical and Economic Programmes	125,393	95,500	29,893
3. Development Support Programmes	40,168	28,560	11,608
4. Technical Co-operation Programme	32,638	25,600	7,038
5. Support Services	45,209	33,075	12,134
6. Common Services	12,607	10,860	1,747
7. Contingencies	600	400	200
Total effective working budget	<u>278,740</u>	<u>211,350</u>	<u>67,390</u>

35. The establishment of FAO for 1980-1981 remains as reported in the Advisory Committee's report to the General Assembly at its thirty-fourth session (A/34/684, para. 53), namely, 2,467 posts (955 Professionals and above and 1,512 General Service) as against 2,433 posts (947 Professional and above and 1,486 General Service) for 1978-1979 - an increase of 34 posts (8 Professionals and above and 26 General Service).

36. The representatives of the Director-General informed the Advisory Committee that in order to protect the programme against unbudgeted extra costs due to adverse currency fluctuations and unbudgeted inflationary trends, the FAO Conference decided at its twentieth session (resolution 18/79) to continue the operation of the Special Reserve Account established for this purpose since 1 January 1978 (resolution 27/77). Conference resolution 18/79 provides for replenishment of the Special Reserve Account (equivalent to 2.5 per cent of the FAO's effective working budget) in 1980-1981 from a cash surplus expected in the 1978-1979 biennium.

37. With regard to the follow-up of the World Conference on Agrarian Reform and Rural Development and the special action programme for the control of African Animal Trypanosomiasis and Related Development (Conference resolutions 7/79 and 8/79 respectively, twentieth session), the representatives of the Director-General informed the Advisory Committee that it had been decided to seek voluntary funds for the further implementation of those programmes. Some \$9 million had already been pledged for the follow-up of the World Conference on Agrarian Reform

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and Rural Development. With regard to the special action programme for Assistance in Development and Management of Fisheries in Exclusive Economic Zones, the representatives of the Director-General indicated that a funding proposal had been submitted for consideration by the UNDP Governing Council at its twenty-seventh session during June 1980.

C. United Nations Educational, Scientific and Cultural Organization

\$

Approved budget for the triennium 1981-1983 620,378,000

Approved budget for the biennium 1979-1980 303,000,000

38. The Advisory Committee discussed the draft programme and budget for the triennium 1981-1983 and related matters with a representative of the Director-General of UNESCO.

1. Method of preparation and presentation of the draft programme and budget

39. At its twentieth session held in November 1979, the General Conference of UNESCO decided that from 1984 onwards, UNESCO's biennial programmes and budgets would begin with an even year, like those of the other organizations and agencies of the United Nations system. It also decided that a single programme and budget would be prepared for the years 1981, 1982 and 1983, in order to effect the transition between the last period beginning with an odd year (1979-1980) and the first of the new cycle (1984-1985). Appropriate adjustments would also be made to extend the present six year medium-term plan (1977-1982) to the end of 1983; the next medium-term plan would cover the years 1984-1989.

40. The UNESCO draft and programme budget document for 1981-1983 (UNESCO document 21C/5) has been prepared using the same basic structure as in the programme and budget 1979-1980 (ibid., para. 314).

2. Programme and budget for 1981-1983

41. The budget estimates for the regular programme of UNESCO for the triennium 1981-1983 as proposed by the Director-General amount to \$620,378,000. The approved budget for the biennium 1979-1980 amounts to \$303,000,000. The Director-General estimates the total amount of extrabudgetary resources from all sources at \$378,100,000 in the triennium 1981-1983; the estimate for the biennium 1979-1980 (ibid., para. 223) is \$180,200,000.

42. Apart from the costing adjustments related to the addition of a third year (1983) to the budgetary period, the budgeting techniques used in the preparation of the estimates for the triennium 1981-1983 are similar to those used in previous

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budgets and described by the Advisory Committee in its reports to the General Assembly at its thirty-second (A/32/315, paras. 79-80) and thirty-third (A/33/309, paras. 54-68) sessions. These techniques include:

- (a) The preparation of budget estimates in constant dollars;
- (b) The maintenance of the principle of "semi-full" budgeting, in accordance with which:
 - (i) the budget estimates for 1981-1983 are calculated at prices expected to prevail at the end of 1980;
 - (ii) funds are included in the Appropriation Reserve to cover inflation expected in the first 18 months of the 1981-1983 financial period;
 - (iii) separate treatment of currency fluctuations (Part VIII of the UNESCO budget document (21C/5)).

43. The separate provision in the UNESCO draft programme and budget document for 1981-1983 of \$1 million (\$666,700 for 1981-1982 and \$333,300 for 1983) as a reserve for the financing of resolutions submitted by Member States and adopted by the General Conference (see table following paragraph 44 below) is, however, a new departure. According to the Director-General (UNESCO document 21C/5, para. 338) this reserve will be shown separately in the Appropriation Resolution for 1981-1983 and will be distributed to the relevant budget lines on the basis of decisions of the General Conference. The Advisory Committee has been informed that this proposed reserve reflects the responses received by the Director-General from Member States to his questionnaire on the resources required for the implementation of resolutions of the General Conference; the proposal has been endorsed by the Executive Board at its 108th session (decision 4.1, para. 54).

44. A comparison by part of the budget between the estimates for the triennium 1981-1983 and the approved budget for 1979-1980 is provided in the table below.

PROPOSED BUDGET 1980-1983

	(1)	(2)	(3)	(4)	(5)
UNESCO Appropriation Line:	1979-1980 Appropriations	Increase (decrease)	Biennial budget est. (1981-1982)	Supplement for the third year (1983) estimate	Total 1981-1983
	\$	\$ %	\$	\$	\$
Part I: General policy and direction	18 275 000	(1 878 600) (10.28)	16 396 400	6 932 600	23 329 000
Part II: Programme operations and services	179 094 000	9 328 400 5.21	188 422 400	94 211 600	282 634 000
Part III: General adminis- trative services	21 343 000	2 599 000 12.18	23 942 000	11 971 000	35 913 000
Part IV: Conference, language and document services	17 981 000	4 584 800 25.50	22 565 800	10 945 000	33 510 800
Part V: Common services	20 958 000	1 032 000 4.92	21 990 000	10 695 000	32 685 000
Reserve for draft resolutions submitted by member States	-	666 700 -	666 700	333 300	1 000 000
Subtotal	257 651 000	16 332 300 6.34	273 983 300	135 088 500	409 071 800
Part VI: Appropriation reserve	13 004 000	7 852 000 60.38	20 856 000	25 552 000	46 408 000
Part VII: Capital expenditure	6 229 000	(429 000) (6.89)	5 800 000	2 900 000	8 700 000
Part VIII: Currency fluctuations	26 116 000	27 175 300 104.06	53 291 300	26 645 700	79 937 000
Inflation costs for 1979-1980 distributed to relevant appropriation lines	-	51 077 900 -	51 077 900	25 183 300	76 261 200
TOTAL	303 000 000	102 008 500 33.67	405 008 500	215 369 500	620 378 000

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45. The table illustrates the methodology for preparation of the budget for the 1981-1983 triennium. As a first step a biennial budget (for 1981-1982) was drawn up by adding to the approved 1979-1980 budget the increases (or decreases) required for the continuation of UNESCO's activities within the limits of growth rates adopted for 43 objectives and for the other parts of the programme. According to UNESCO the sum thus obtained (\$273,983,300) represents, in constant dollars, a biennial budget for 1981-1982 directly comparable with that of the 1979-1980 financial period (\$257,651,000). On this basis the biennial real growth rate of the programme is 6.34 per cent. To this sum is added: (a) a provision for inflation calculated as in paragraph 42 (b)(i) above (\$51,077,900); (b) a provision for inflation in the first 12 months of the new financial period 1981-1982 (\$20,865,000); (c) capital expenditure (\$5.8 million) and (d) currency fluctuation (\$53,291,300). The total budget estimate of UNESCO for the financial period 1981-1982 thus amounts to \$405,008,500 as compared to the total approved budget of \$303,000,000 for 1979-1980. This represents an over-all increase of 33.67 per cent. (The increase in the 1979-1980 budget over that for 1977-1978 was 35.02 per cent.)

46. As a second stage, the estimates were prepared for the third year of the triennium (1983). According to the Director-General this third year should be regarded as "a year of stabilization, the level of activities and hence of expenditure being required to keep strictly to that attained during the preceding two years (that is, 1981-1982) corresponding to completion of the Medium-Term Plan for 1977-1982" (UNESCO document 21C/5, para. 332).

47. The various elements contributing to the growth of the proposed budget for 1981-1983 over the approved budget for 1979-1980 may be summarized as follows:

	\$
1979-1980 budget as approved by the General Conference at its twentieth session	303,000,000
1. <u>Programme growth (1981-1982)</u>	
(a) Related to the 43 objectives	8,522,900
(b) Others	3,050,600
2. <u>Mandatory increases (1981-1982)</u>	
(see para. 49 below)	4,329,800

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3. Inflation

(a) Price movements from 1 January 1979 to 31 December 1980	51,077,900
(b) Provision for inflation in 1981-1982 under "semi-full" budgeting	20,856,000
<u>less:</u> provision for inflation under "semi-full" budgeting included in the 1979-1980 budget	(13,004,000)

4. Currency fluctuations (part VIII of the budget)

<u>net</u> provision for 1981-1982	27,175,300
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5. Budget estimate provision for 1983	<u>215,369,500</u>
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Total 620,378,000

48. According to the Director-General (UNESCO document 21C/5, para. 337), programme growth pertaining to the 43 objectives will amount to \$12,784,900 for the triennium 1981-1983, as follows:

	<u>1981-1983</u>	
	<u>\$</u>	<u>per cent</u>
Education	3,611,925	28.3
Natural Sciences and their application to development	6,740,785	52.7
Social Sciences and their applications	767,100	6.0
Culture and communication	1,049,790	8.2
Copyright; information systems and services; statistics	<u>615,300</u>	<u>4.8</u>
	<u>12,784,900</u>	<u>100.00</u>

Of that amount \$8,522,900 relates to the biennium 1981-1982.

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49. The mandatory increases involve the following amounts:

	<u>1981-1982</u>
	\$
(a) Reserve for draft resolutions (see para. 43 above)	666,700
(b) Extended use of Russian and Arabic languages	3,972,100
(c) Revision of the "History of Mankind"	300,000
(d) Capital expenditure	<u>(429,000)</u>
	4,329,800

3. Staffing

50. The draft programme and budget for 1981-1983 provides for an increase in the total regular establishment from 2,470 at the end of 1980 to 2,607 by the end of 1983, that is, by 137 (66 Professional and above and 71 General Service). The following table provides a summary of established posts by grade:

UNESCO	1980	1981	1982	1983	1983/1980 increase/ (decrease)
Director-General	1	1	1	1	-
Deputy Director-General	1	1	1	1	-
Assistant Director-General	8	10	10	10	2
D-2	22	25	26	26	4
D-1	61	64	63	63	2
P-5	298	296	297	298	-
P-4	328	351	353	353	25
P-3	206	226	226	226	20
P-2/1	151	163	164	164	13
Subtotal	1,076	1,137	1,141	1,142	66
General Service	1,394	1,460	1,464	1,465	71
Total	2,470	2,597	2,605	2,607	137

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UNESCO	1980 (approved)			1981 (proposed)			1982 (proposed)			1983 (proposed)			1983/1980 increase/ (decrease)		
	P	GS	Total	P	GS	Total	P	GS	Total	P	GS	Total	P	GS	Total
Part I: General policy and direction	60	58	118	64	63	127	64	63	127	64	63	127	4	5	9
Part II: Programme operations and services	811	919	1 730	848	949	1 797	852	949	1 801	852	950	1 802	41	31	72
Part III: General administrative services	86	243	329	86	247	333	86	247	333	86	247	333	-	4	4
Part IV: Conference, language and document services	119	167	286	139	191	330	139	195	334	140	195	335	21	28	49
Part V: Common services	-	7	7	-	10	10	-	10	10	-	10	10	-	3	3
	1 076	1 394	2 470	1 137	1 460	2 597	1 141	1 464	2 605	1 142	1 465	2 607	66	71	137

4. Working Capital Fund

52. It will be recalled that the authorized level of the Working Capital Fund for 1977-1978 was fixed at \$16.8 million, representing approximately 7.5 per cent of the total appropriation voted by the General Conference at its nineteenth session (see Advisory Committee report A/32/315, para. 86). It will be recalled further that the Director-General had proposed to maintain the Fund at \$16.8 million for the biennium 1979-1980 for reasons of financial constraints experienced by many Member States (see Advisory Committee report A/33/309, para. 68). For the triennium 1981-1983, however, the Director-General proposes that the level of the Fund be raised to \$20 million, representing some 3.2 per cent of the programme budget for the period as a whole (UNESCO document 21C/5, paras. 366-367).

5. UNESCO and the international community

53. In his Introduction to the proposed programme and budget of UNESCO for the triennium 1981-1983 (UNESCO document 21C/5, para. 292-310) to be submitted to the twenty-first General Conference, the Director-General states that developments with regard to co-ordination "are aimed at making the United Nations system, a coherent and effective unit serving the same Member States and the same goals" (*ibid.*, para. 295). The Director-General draws attention, however, to "a number of disquieting tendencies" that he has perceived, namely,

(a) the "tendency on the part of the General Assembly of the United Nations and the Economic and Social Council to step up to an exaggerated degree their requests for all kinds of contributions and reports, when these, in some instances, are concerned with problems of secondary importance or with matters that have already been abundantly discussed. They represent a considerable added burden as regards the Secretariat's work, although the need for them and their usefulness are not always obvious, at the expense of the quality of the action involved in actually carrying out the programme" (*ibid.*, para. 296).

(b) the "tendency for the General Assembly, especially over the past two or three years, to take measures or decisions, sometimes in considerable detail, on matters which plainly come within the province of the specialized agencies, which the latter have been handling for years and which the legislative organs of those agencies are in a much better position to deal with than the General Assembly" (*ibid.*, para. 297).

54. The Director-General cites two examples of such tendencies:

(i) "... at its thirty-fourth session, the General Assembly adopted a resolution on the right to education which, if we take action on it, will involve us in a heavy work-load in terms of studies and reports dealing with an area which has been one of our Organization's privileged spheres of activity ever since its creation and to which our General Conference, on every occasion, gives all the attention it merits, without its importance ever having to be recalled. In its resolution on matters relating to information,

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the Secretary-General acknowledged the central and important role played by UNESCO in the information and communication field, but at the same time asserted the "primary" role of the General Assembly in elaborating, co-ordinating and harmonizing policies and activities aimed at establishing a new world information and communication order. It has set up machinery whose activities are liable to overlap with those of our own Organization." (*ibid.*, para. 298)

and (ii) "... the decisions which the General Assembly took following the United Nations Conference on Science and Technology for Development held in Vienna in August 1979. That Conference culminated in the setting up of complex machinery which, if we do not take care, could well inhibit the action taken by the system in this fundamental area rather than enhance its effectiveness." (*ibid.*, para. 299)

55. The Director-General stresses, however, that "it is not my purpose to question the need for a guiding line from which all the constituent parts of the United Nations system have to take their bearings, or the legitimacy of the General Assembly's function of defining policies, priorities and global strategies, conferred on it by the resolution on restructuring the system, but to recall that the creation of new specialized forums for discussion and decision-making in areas of activity already covered by organizations of the United Nations system cannot be conducive to the effective operation of the system as a whole." (*ibid.*, para. 302)

D. International Civil Aviation Organization

	\$
Estimates for 1981	23,025,000 <u>a/</u>
Appropriations for 1980	21,927,400 <u>a/</u>
	1,097,600
	5.0 per cent

a/ Net of staff assessment. Appropriations for 1980 include \$1,111,000 carried over from 1979 (see para. 58 below).

56. The Advisory Committee discussed the budget of the International Civil Aviation Organization (ICAO) for 1981 and related matters with a representative of the Secretary-General of the organization.

57. The ICAO has a triennial budget. Every three years its Assembly approves appropriations separately for each year of the succeeding triennium. The budget estimates, prepared by the Secretary-General on the basis of the expected programme of work approved by the Council of ICAO, are submitted for consideration by the Council. Subsequently, the Council's budget estimates are submitted to the

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Assembly. The budget estimates for the financial years 1981, 1982 and 1983 will be considered by the Assembly at its twenty-third session in September-October 1980.

1. Revised appropriations for 1980

58. In its report to the General Assembly at its thirty-fourth session (A/34/684), the Advisory Committee indicated that the approved appropriations for 1980 amounted to \$21,041,400, net of staff assessment. ICAO has since informed the Advisory Committee that the revised appropriations for 1980 total \$21,927,400, net of staff assessment, i.e., an increase of \$886,000. The increase results from carry-over amounts from 1979 to 1980 totalling \$1,111,000 (part I - Meetings, \$131,000; and Part VI - Contingencies, \$980,000) authorized by the Council in accordance with the Financial Regulations and the Appropriations Resolution adopted by the ICAO Assembly, less the sum of \$225,000 being the cost of 11 posts eliminated as indicated in paragraph 63 below.

59. The carry-over amounts will assist in defraying additional costs of the revised programme of meetings for 1980, as well as those expected to result from a rate of inflation higher than that estimated under part VI - Contingencies, at the time of approval of the 1980 budget by the Assembly in 1977.

2. Estimates for 1981-1982-1983 /

60. The budget estimates for the financial years 1981-1982-1983 total \$88,717,000 gross for the triennium, as against \$71,008,000 for the current triennium, i.e., an increase of \$17,709,000 or 24.9 per cent. The estimates for 1981-1983, the obligations for 1978-1979, and the appropriations for 1980, by parts of the budget, are as follows:

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(In thousands of United States dollars)

<u>Parts of the budget</u>	(1) <u>Obliga-</u> <u>tions</u> <u>1978</u>	(2) <u>Obliga-</u> <u>tions</u> <u>1979</u>	(3) <u>Appropria-</u> <u>tions</u> <u>1980 a/</u>	(4) <u>Total</u> <u>1978-1980</u>	(5)	(6) <u>Estimates</u>	(7)	(8) <u>Total</u> <u>1981-1983</u>	(9) <u>Increase</u> <u>(Decrease)</u> <u>Cols. (8)-(4)</u>
					1981	1982	1983		
I - Meetings	173	479	550	1 202	669	508	530	1 707	505
II - The Secretariat	17 309	19 260	17 868	54 437	21 040	21 435	21 744	64 219	9 782
III - General service	3 403	3 626	3 422	10 451	3 321	3 365	3 377	10 063	(388)
IV - Equipment	165	177	164	506	190	195	184	569	63
V - Other budgetary provisions	25	108	67	200	126	126	126	378	178
VI - Contingencies	-	-	4 212	4 212	2 460	3 903	5 418	11 781	7 569
Total gross	21 075	23 650	26 283	71 008	27 806	29 532	31 379	88 717	17 709
<u>Less:</u> Miscellaneous income <u>b/</u>	6 342	6 737	6 612	19 691	6 576	7 012	7 439	21 027	1 336
Total net	14 733	16 913	19 671	51 317	21 230	22 520	23 940	67 690	16 373
Per cent increase from prior year		14.8%	16.3%		7.9%	6.1%	6.3%		

Note: Obligations for 1978-1979 and Appropriations for 1980 have been adjusted to incorporate the technical modification made in the Establishment of the Secretariat described in paragraph 8 below.

a/ Including \$1,111,000 carried over from 1979 (see para. 58 above).

b/ Including income derived from staff assessment: \$3,755,352 (1978), \$4,013,083 (1979), \$4,355,600 (1980), \$4,781,000 (1981), \$5,120,000 (1982) and \$5,461,000 (1983).

61. The estimates for 1981-1982-1983 for parts I to V are based on salary, allowance and price levels in effect at the time of preparation of the budgets in early 1980. They take into account cost increases that have already taken place over the current triennium. Further cost increases likely to occur during the triennium are provided for in part VI (contingencies).

62. The budgets for 1981-1982-1983 provide no increases in the establishment of ICAO. In that connexion, the Advisory Committee was informed that the Secretary-General of ICAO intended to redeploy certain posts, primarily from headquarters to the regional offices, in order to meet newly identified needs and to provide improved advisory service to Member States.

63. The current regular establishment totals 705 posts (273 Professional and 432 General Service). The representative of the Secretary-General of ICAO informed the Committee that a technical adjustment in the number of authorized posts would be made whereby 11 posts would be removed from the establishment on account of their source of funding. The adjustment involves nine posts related to the European Civil Aviation Conference and two posts at headquarters for a function contracted under general services. On that basis, the establishment provided for in the estimates for the next triennium totals 694 posts (272 Professional and 422 General Service).

64. The following table provides a breakdown by grade of the regular-programme establishments proposed for the triennium.

ICAO	Headquarters	Regional offices	Total
Secretary-General	1		1
Director	4	-	4
Principal Officer	9	6	15
P-5	26	6	32
P-4	78	35	113
P-3	62	21	83
P-2	20	4	24
P-1	-	-	-
Subtotal	200	72	272
General Service	332	90	422
TOTAL	532	162	694

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3. Regular programme 1981

65. The budget estimates for 1981 as compared to appropriations for 1980 are broken down by part as follows:

<u>ICAO part of the budget</u>	<u>Appropriations</u>	<u>Estimates</u>	<u>Increase (decrease)</u>
	<u>1980 a/</u>	<u>1981</u>	
	\$	\$	\$
I. Meetings .	550,000	669,000	119,000
II. The Secretariat	17,868,000	21,040,000	3,172,000
III. General services b/	3,422,000	3,321,000	(101,000)
IV. Equipment	164,000	190,000	26,000
V. Other budgetary provisions	67,000	126,000	59,000
VI. Contingencies	4,212,000	2,460,000	(1,752,000)
Total parts I to VI (gross)	26,283,000	27,806,000	1,523,000
<u>Less: Staff assessment</u>	<u>(4,355,600)</u>	<u>(4,781,000)</u>	<u>(425,400)</u>
Total (net of staff assessment)	21,927,400	23,025,000	1,097,600

a/ Includes \$1,111,000 carried over from 1979 (see para. 58 above).

b/ Includes rental of headquarters premises (see para. 67 below).

66. The estimate for 1981 under part II (The Secretariat) includes salary, allowance and other cost increases that have taken effect since the 1980 Appropriations were approved (October 1977) and which were provided for under Part VI - Contingencies, 1980. It also takes into account a turnover deduction of \$1,480,000 which assumes a vacancy rate of 8 per cent for Professional posts and 4 per cent for General Service posts (these vacancy rates have been assumed for the next triennium), as compared to 6 per cent and 4 per cent respectively for the 1980 appropriations.

67. The estimate under part III (General Services) includes the rental of headquarters premises. Under a new arrangement with the Canadian Government, the organization will pay to the Canadian Government 25 per cent of the total rent and annual escalation of operating costs attributable to the headquarters premises. Since the Government now will pay the total rent to the owner, its former grant to the organization has been superseded. The new arrangements are more favourable to the organization than those previously in effect.

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68. The estimate of \$2,460,000 under part VI is earmarked to meet contingency cost increases in 1981. This amount has been calculated on the assumption that costs affecting part II of the budget (salary items and pension fund contributions) will increase by an average of 8 per cent and those of major items under parts III, IV and V of the budget would rise by 6 per cent a year. No contingency provision is made for cost increases under part I (Meetings).

4. Administrative and operational services costs of technical assistance

69. The funds which finance technical assistance programme activities (UNDP, trust funds and other funds) are kept separate from funds provided by the regular budget, and the regular budget is, to the extent possible, fully reimbursed for all services rendered by the regular programme to extrabudgetary activities. In 1979, the total field programme expenditures relating to technical assistance activities financed by extrabudgetary funds amounted to \$40,667,399 as compared to \$32,199,877 the year before. The net administrative and operational services cost of those activities amounted to \$4,548,117 and \$3,000,246 respectively. The costs for 1980 are estimated at \$6,335,600 and those for 1981 at \$6,783,100. The estimated number of extrabudgetary posts in 1981 is 193 (58 Professional and 135 General Service) as compared to 191 in the current year (57 Professional and 134 General Service).

E. Universal Postal Union

	<u>Swiss Francs</u>	<u>\$US a/</u>
Net budget 1981	17,204,250	10,752,656
Adjusted net budget 1980	<u>16,294,400</u>	<u>10,184,000</u>
Increase	909,850	568,656
	5.6 per cent	

a/ The budget of UPU is expressed in Swiss francs and all United States dollars amounts are based on an exchange rate of 1.60 Swiss francs = \$US 1.

70. The Advisory Committee discussed the budget of UPU for 1981 and related matters with representatives of the Director-General of UPU.

1. Revised appropriations for 1980

71. At its session in May 1980, the Executive Council of UPU approved a revised budget for 1980 of 16,294,400 Swiss francs (\$10,184,000) which represents an increase of 176,000 Swiss francs (\$110,000) or 1.1 per cent over the initial appropriation. According to UPU this additional appropriation was made necessary by an increase in general service salaries as from 1 July 1980 as well as a strengthening of consultant services.

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2. Summary analysis of the budget for 1981

72. The budget of the Union is subject to annual net expenditure limits set by the Universal Postal Congress. The eighteenth UPU Congress, held at Rio de Janeiro in 1979, fixed the ceiling for the years 1981-1985.

73. The 1981 estimates of 17,204,250 Swiss francs (\$10,752,656) represent an increase of 5.6 per cent over the revised appropriations for 1980..

74. The following table shows the estimates for 1981 compared with the revised appropriations for 1980.

	<u>Revised 1980</u>	<u>1981</u>	<u>Increase (Decrease)</u>
Staff costs	8,505,688	9,115,250	609,562
Other expenses of the International Bureau	<u>2,586,687</u>	<u>2,533,375</u>	<u>(53,312)</u>
Total	11,092,375	11,648,625	556,250
Miscellaneous income	<u>908,375</u>	<u>895,969</u>	<u>(12,406)</u>
Total (net)	10,184,000	10,752,656	568,656

At 1.60 Swiss francs = \$US 1.

75. As shown in the table, staff costs have increased by \$609,562 or 7.2 per cent over 1980. This increase is the result of decisions taken at the UPU Congress in 1979, including the creation of five general service posts (four in 1980, one in 1981) and the strengthening of consultant services by 30 per cent for UPU's technical co-operation programme.

76. As the result of the creation of the five new posts mentioned above the number of established posts will increase from 130 in 1979 to 135 in 1981, of which 14 are assigned to technical assistance activities financed by UNDP. The Advisory Committee was informed that 46.8 per cent of the costs of these 14 posts are paid for out of the reimbursement for agency support costs.

77. Other expenses of the International Bureau show a reduction of about 2.1 per cent from the 1980 level.

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78. Miscellaneous income is estimated as follows:

	<u>1980</u>	<u>1981</u>
	\$	\$
Reimbursement of administration overheads by UNDP	336,000	336,000
Sale of publications	133,750	158,750
Rental of premises	306,250	321,875
Other income	<u>132,375</u>	<u>79,344</u>
	908,375	895,969

3. New system of financing

79. The UPU Congress has approved the introduction of a system of self-financing to start in 1981. This system, similar to the practices of the other organizations in the United Nations system, is based on assessed contributions payable in advance in accordance with an approved budget. In the past, payments from Members were made "after the fact" on the basis of expenses, the Swiss Government having made the necessary advances for the costs of operation.

F. World Health Organization

	\$
Effective working budget for 1980-1981	427,290,000
Effective working budgets for 1978 and 1979	<u>354,330,000</u>
Increase	72,960,000
	20.59 per cent

80. The Advisory Committee discussed the programme budget of the World Health Organization (WHO) for 1980-1981 and other related matters with representatives of the Director-General of that organization.

1. The budget for the financial period 1980-1981

81. As reported by the Advisory Committee in 1979 (A/34/684, para. 85), the total effective working budget proposed by the Director-General for the

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biennium 1980-1981 amounted to \$427,290,000. This amount was subsequently recommended by the Executive Board and approved by the thirty-second World Health Assembly in May 1979.

82. Whereas the total approved effective working budget for 1980-1981 remains unchanged, it became necessary for the thirty-third World Health Assembly in May 1980 to adopt an amendment to the Appropriation Resolution for the biennium in view of certain developments affecting the organization's membership and the scale of assessments. As a result, the gross budget now appropriated by the World Health Assembly for 1980-1981 amounts to \$477,135,300 consisting of the following elements:

	\$
(i) Effective working budget	427,290,000
(ii) Undistributed Reserve (equalling the assessments on inactive Members (Byelorussian SSR and Ukrainian SSR) and on South Africa)	9,845,300
(iii) Staff assessment	40,000,000
	<u>477,135,300</u>

The change in the gross amount appropriated for the biennium, as compared to the figure of \$477,378,400 reported last year, relates exclusively to the section Undistributed Reserve as outlined below and does not affect the effective working budget approved last year.

83. WHO's Financial Regulation 5.3 provides that "The Health Assembly shall adopt a total budget level and scale of assessments for the following financial period. The assessed contributions of Members based on the scale of assessments shall be divided into two equal annual instalments, the first of which shall relate to the first year and the second of which shall relate to the second year of the financial period. In the first year of the financial period, the Health Assembly may decide to amend the scale of assessments to be applied to the second year of the financial period". Pursuant to earlier resolutions of the World Health Assembly, the latest United Nations scale of assessments is to be used as a basis for determining WHO's scale.

84. By resolution WHA 32.8, the thirty-second World Health Assembly (May 1979) adopted a scale of assessments for the full financial period 1980-1981 which was based on the latest available United Nations scale of assessments, namely, the scale for the years 1978-1979 approved by the United Nations General Assembly in resolution 32/39 (December 1977). In December 1979 the General Assembly approved a United Nations scale of assessments for the period 1980-1982 containing significant changes as compared with the preceding United Nations scale.

85. In view of the foregoing the thirty-third World Health Assembly (May 1980) in resolution WHA 33.14 decided to amend the WHO scale of assessments to be applied to

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the second year of the financial period 1980-1981, based on the United Nations scale of assessments for 1980-1982. As a consequence it also became necessary to amend the Appropriation Resolution for 1980-1981. While the approved effective working budget (Appropriation Sections 1 to 8) as well as Appropriation Section 9 (Transfer to Tax Equalization Fund) remained unchanged, it was necessary to reduce the total budget to reflect a corresponding reduction in Appropriation Section 10 (Undistributed Reserve), since the assessments of two of the Members included therein - namely, the Byelorussian SSR and the Ukrainian SSR - were decreased in accordance with decreases in the assessments in the United Nations scale of assessments.

86. Another development which made it necessary to amend the Appropriation Resolution for 1980-1981, in terms of further reducing the amount appropriated for Section 10 (Undistributed Reserve), was related to the admission of Zimbabwe to membership of WHO on 6 May 1980. Prior to this date the former territory of Southern Rhodesia was an Associate Member of WHO. Since 1965 the associate membership of Southern Rhodesia was regarded as being in suspense and by decision of the World Health Assembly its annual assessments for 1972 and future years were placed in the Undistributed Reserve part of the annual Appropriation Resolution. Such an appropriation section has since 1952 been included in the Appropriation Resolution in order to provide in the total budget of the organization an amount equivalent to the assessed contributions of inactive members, that is, those members that have expressed their intention to withdraw from the organization despite the lack of constitutional provision permitting such withdrawal and those members or associate members that have ceased to participate in the activities of the organization and whose membership was considered as being in suspense. In order to ensure that expenditure should not exceed income reasonably expected to be available during a given financial period, the Appropriation Resolutions adopted since 1952 have provided that the obligations to be incurred during the given financial period be limited to the amounts included in the appropriation sections other than that for the Undistributed Reserve. By this method WHO has been able to avoid income deficits in its budgets which were unlikely to be recoverable, while still continuing to assess all Members and Associate Members. As the amounts regularly appropriated for the Undistributed Reserve are parts of the total budgets of WHO against which no obligations can be incurred, they are in effect budgetary surpluses, although non-cash ones.

87. Having approved a provisional rate of assessment for Zimbabwe of 0.01 per cent in 1980-1981, the World Health Assembly in a related decision authorized the Director-General to adjust the accounts of the organization by cancelling the contributions recorded as being due by Southern Rhodesia for the period 1967 to 1981, amounting to \$238,020. The cancellation of the contributions of Southern Rhodesia for 1980-1981, which were included in the Undistributed Reserve for that biennium, necessitated a corresponding reduction in Appropriation Section 10 (Undistributed Reserve) and consequently in the total budget, without, however, affecting the effective working budget.

2. Other matters

88. After having considered the question of periodicity of Health Assemblies, the World Health Assembly adopted resolution WHA 33.10 in which inter alia it requested
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the Executive Board to examine the consequences for the introduction of biennial Health Assemblies for the work and functioning of all bodies of the organization, and recommended that the thirty-fourth World Health Assembly in 1981, under Articles 73 and 60 of the Constitution, and on the basis of recommendations and conclusions of the Executive Board consider amending the texts of Articles 13, 14, 15 and 16 of the Constitution in order to permit the change from annual to biennial Health Assemblies, and at the same time consider taking other decisions relating to the structure of WHO.

G. International Telecommunication Union

	<u>Ordinary and supplementary publications budgets</u>		<u>Technical co-operation special accounts budget</u>	
	<u>SwF</u>	<u>\$US a/</u>	<u>SwF</u>	<u>\$US a/</u>
1981 - net budget	75,940,000	47,462,500	9,417,000	5,885,625
1980 - net budget including add. credits	69,864,500	43,665,312	8,200,000	5,125,000
Increase	6,621,000	4,138,125	1,217,000	760,625
Increase in per cent	8.70%		14.84%	

a/ The budgets of ITU are expressed in Swiss francs and the United States dollar figures are based on an exchange rate of SwF 1.60 = \$US 1.

89. The Advisory Committee discussed the 1981 budget of the International Telecommunication Union (ITU) and other matters with the Secretary-General and his senior officials.

1. Supplementary appropriations for 1980

90. At its thirty-fifth session, the ITU Administrative Council approved additional credits of 545,500 Swiss francs for the 1980 ordinary budget to cover additional expenditure arising from the decisions of the World Administrative Radio Conference 1979.

91. The ordinary budget for 1980 therefore amounts to 62,864,500 Swiss francs which represents an increase of 1,307,500 Swiss francs over the 1979 budget.

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2. Summary analysis of the budget for 1981

92. At its thirty-fifth session (1980) the Administrative Council approved the budget for 1981 which amounted to:

<u>Swiss francs</u>	<u>\$US</u>	
65,728,000	41,080,000	for the ordinary budget
10,212,000	6,382,500	for the supplementary publications budget
<hr/>	<hr/>	
75,940,000	47,462,500	
<hr/>	<hr/>	

93. The Administrative Council also approved the technical co-operation special accounts budget (administrative costs) which amounts to 9,417,000 Swiss francs (\$5,885,625).

94. The following table compares the 1981 ITU budgets with those for 1980:

	<u>1980 a/</u>	<u>1981</u>	<u>Increase</u>	
	<u>SwF</u>	<u>SwF</u>	<u>SwF</u>	<u>%</u>
Ordinary budget	62,864,500	65,728,000	2,863,500	4.56
Supplementary publications budget	7,000,000	10,212,000	3,212,000	24.54
Technical co-operation special accounts budget (Administrative costs)	<u>8,200,000</u>	<u>9,417,000</u>	<u>1,217,000</u>	<u>14.84</u>
	78,064,500	85,357,000	7,292,500	9.34

a/ Including additional credits.

95. The increased expenditure in the ordinary budget is largely accounted for by the creation of four new established posts, changes in working conditions within the United Nations common system, additional costs arising from the World Administrative Radio Conference, 1979, and a heavier schedule of conferences and meetings.

96. The supplementary publications budget is higher because of the expansion of the service publications programme and the creation of seven new established posts.

97. The increase in the Technical Co-operation special accounts budget is due to the greater number of projects envisaged and the consequent creation of five new established posts.

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98. Estimated expenditure for 1981 compared with 1980 is apportioned as follows according to category of expenditure (excluding the Technical Co-operation special accounts budget):

	<u>1980</u>		<u>1981</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
I. Staff (excluding staff assessment) <u>a/</u>	52,766,500	32,979,062	55,128,500	34,455,313
II. General Services	9,918,000	6,198,750	10,464,500	6,540,312
III. Special projects and activities	7,000,000	4,375,000	10,212,000	6,382,500
IV. Other budget estimates	<u>180,000</u>	<u>112,500</u>	<u>135,000</u>	<u>84,375</u>
Total (gross)	69,864,500	43,665,312	75,940,000	47,462,500
Miscellaneous income	<u>11,177,100</u>	<u>6,985,687</u>	<u>10,962,850</u>	<u>6,851,781</u>
Net total	58,687,400	36,679,625	64,977,150	40,610,719

a/ Only net salaries of Union officials being entered in the budget.

99. In the case of the Technical Co-operation special accounts budget, estimated expenditure for 1981 compared with 1980 is apportioned as follows by category of expenditure:

	<u>1980</u>		<u>1981</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
I. Staff	7,529,000	4,705,625	8,731,000	5,436,875
II. General Services	<u>671,000</u>	<u>419,375</u>	<u>686,000</u>	<u>428,750</u>
	<u>8,200,000</u>	<u>5,125,000</u>	<u>9,417,000</u>	<u>5,885,625</u>

The Technical Co-operation special accounts budget, which is used for administrative expenses, is financed by trust funds and by contributions from UNDP.

100. With regard to the ordinary and the supplementary publications budget, the breakdown of expenditure given in paragraph 98 above shows that staff costs

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for 1981 are estimated at 55,128,500 Swiss francs (\$34,455,313) compared with 52,766,500 Swiss francs (\$32,979,062) in 1980. This increase of 4.48 per cent is due to the creation of 11 new posts and to the increased need for supernumerary staff.

101. The Administrative Council has fixed the number of permanent posts for 1981 at 632, of which 512 come under the ordinary budget (i.e. four posts more than in 1980), 107 under the Technical Co-operation special accounts budget (i.e. five posts more than in 1980) and 13 under the supplementary publications budget (i.e. seven posts more than in 1980).

102. Estimated expenditure for General Services is higher by 546,500 Swiss francs, mainly due to the heavier schedule of conferences and meetings.

103. The sum of 10,212,000 Swiss francs (\$6,382,500) foreseen for special projects and activities (see table in para. 98 above) relates to the publications programme for 1981.

104. The following table shows the budget estimates for conferences and meetings in 1981 compared with 1980:

	<u>1980</u>		<u>1981</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
World Administrative Radio Conferences	240,000	150,000	325,000	203,125
Study Group of the International Radio Consultative Committee	3,800,000	2,375,000	3,650,000	2,281,250
Study Groups and VIIth plenary Assembly (1980) of the International Telegraph and Telephone Consultative Committee	2,630,000	1,643,750	2,067,000	1,291,875
Regional Administrative Broadcasting Conference - Region 2	600,000	375,000	2,411,500	1,507,187
Seminars	265,000	165,625	300,000	187,500
Common expenses for conferences and meetings (typing and reproduction of documents, translation)	3,300,000	2,062,500	3,384,000	2,115,000
Total	<u>10,835,000</u>	<u>6,771,875</u>	<u>12,137,500</u>	<u>7,585,937</u>

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105. The estimates of miscellaneous income for the years 1980 and 1981 are as follows:

	<u>1980</u>		<u>1981</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
Income from the sale of publications by the Union	7,000,000	4,375,000	10,212,000	6,382,500
Withdrawal from the Union's contingency provision	3,945,500	2,465,937	500,000	321,500
Other income	231,600	144,750	250,850	156,781
Total	<u>11,177,100</u>	<u>6,985,687</u>	<u>10,962,850</u>	<u>6,851,781</u>

H. World Meteorological Organization

\$

Approved budget 1981 18,663,800

Approved budget 1980 17,495,000

1. Four year budgetary cycle

106. WMO follows a four year budgetary cycle. Its Congress meets every four years and establishes a budgetary ceiling for the ensuing four-year financial period. Individual budgets for each year within the cycle are then approved annually by the Executive Committee within the framework of the ceiling. The Executive Committee is empowered by the Congress to authorize necessary additional expenditures under flexibility clauses which make it possible to exceed the level of the maximum expenditures for the financial period.

107. The programme and budget for 1981 relates to the second year of the eighth financial period of WMO, 1980-1983. As noted by the Advisory Committee in its report to the General Assembly at its thirty-fourth session (A/34/684, para. 116), the eighth World Meteorological Congress, held in April-May 1979, authorized the Executive Committee to incur maximum expenditures of \$74,400,000 (net) for the period 1980-1983. This amount was based on salary scales, prices and exchange rates (\$1.00 = SwF 1.68) prevailing on 1 April 1979. In resolution 42 (VIII) on maximum expenditures, the Congress also authorized the Executive Committee under the "flexibility clauses":

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

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

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

2. Programme and budget for 1981

108. The Executive Committee at its thirty-second session, approved the programme and budget of WMO for 1981 in the amount of \$18,663,800 (net of staff assessment). The approved budget is based on salary scales, prices and currency exchange rates (\$1.00 = SwF. 1.65) prevailing on 16 May 1980. It exceeds the 1980 budget (\$17,495,000) by \$1,168,800 or 6.7 per cent. Of that increase \$498,700 relates to increases in salaries and allowances approved for the United Nations common system. The balance of the increase relates in the main to other cost increases and programme variations. The Advisory Committee was informed that some \$51,000 requested under "flexibility clauses" by the Secretary-General of WMO for 1981 to meet the adverse effect of currency changes on items other than salaries was not approved by the Executive Committee at its thirty-second session.

<u>Part</u>	<u>1981 approved budget</u>	<u>1980 initial approved budget</u>	<u>1981 increase (decrease) from 1980</u>
	\$	\$	\$
1. <u>Policy-making organs</u>	451 000	485 000	(34 000)
2. <u>Executive management</u>	918 000	874 000	44 000
3. <u>Scientific and technical programmes</u>			
3.1 World Weather Watch	2 769 000	2 519 100	249 900
3.2 Meteorological Applications and Environment	1 388 200	1 316 300	71 900
3.3 Research and Development	1 828 800	1 744 300	84 500
3.4 World Climate	921 000	728 200	192 800
3.5 Hydrology and Water Resources	857 200	821 000	36 200
4. <u>Supporting programmes</u>			
4.1 Technical Co-operation	202 100	194 400	7 700
4.2 Regional	943 000	900 700	42 300
4.3 Education and Training	1 016 900	1 092 000	(75 100)
5. <u>Programme supporting activities</u>	3 770 700	3 562 600	208 100
6. <u>Administration and Common Services</u>	3 115 900	2 797 400	318 500
7. <u>Other budgetary provisions</u>	482 000	460 000	22 000
TOTAL	18 663 800	17 495 000	1 168 800

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109. The following table provides a summary, by parts of the WMO approved budget for 1981 as compared to the initial approved budget for 1980.

110. The programme approved for 1981 is basically a continuation of the programme for the year 1980. As can be seen from the above table, changes in high priority programmes under Part III Scientific and technical programmes, and in particular, the World Weather Watch and World Climate Programmes, have significant budgetary implications. The Advisory Committee was informed that the reduced provision in 1981 under Part IV Supporting programmes for Education and Training is due to the fact that the appropriation for 1980 exceeds one quarter of the total resources approved for this activity by the Congress for the financial period 1980-1983. The increase under Part VI Administration and Common Services includes some \$150,000 for major emergency repairs to the WMO headquarters building.

111. In 1981 WMO will have a total of 244 established posts, the same as in 1980. This is within the ceiling of 246 established posts authorized by the WMO Congress at its eighth session for the financial period 1980-1983 (the corresponding ceiling for the financial period 1976-1979 was 238 posts).

I. Inter-Governmental Maritime Consultative Organization

	\$
Gross budget 1980-1981 <u>a/</u>	22,464,600
Approved gross budget 1978-1979	<u>12,661,300</u>
Increase	9,803,300
	77.4 per cent

a/ As approved by the IMCO Assembly at its eleventh session (see para. 115 below).

112. The Advisory Committee discussed the IMCO budget for 1980-1981 and related matters with the Secretary-General of IMCO and his senior staff.

1. Budgetary situation in 1978-1979

113. In 1978, although the appropriation was based on an exchange rate of \$1.71 the actual rate for that year averaged \$1.91. However, in spite of this development, it was possible to achieve a surplus of \$25,942 due to the fact that certain posts were left vacant and recruitment to fill other approved posts was staggered. In addition a lower rate of inflation than originally assumed contributed to the surplus. In 1979 there was a budgetary deficit of \$1,229,196, mainly due to a further appreciation of the pound to an average annual rate of \$2.11 and an unanticipated sharp acceleration in the rate of inflation. This deficit was financed by use of excess miscellaneous income over the amount estimated for the

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year (\$317,681) and from the Exchange Reserve Fund (\$911,515), as approved by the IMCO Assembly at its eleventh session. Consequently, a balance of \$289,550 has remained in the Exchange Reserve Fund.

2. Budget for 1980-1981

114. At its forty-second session, the IMCO Council recommended a reduction of meetings with a consequent reduction in documentation and requested the Secretary-General to report on the financial implication of these reductions to its tenth extraordinary session. The Secretary-General accordingly analysed the effects of these decisions while bearing in mind certain subsequent developments, such as the continuing increase in both the rate of exchange and the rate of inflation and the effect of bringing forward some of the expenditure on installation related to the new headquarters building. Revised proposals calculated at \$2.22 to the pound (operational rate for July-October 1979) and on inflation assumptions for the United Kingdom of 17 1/2 per cent, 13 1/2 per cent and 10 per cent in 1979, 1980 and 1981 respectively were prepared for the tenth extraordinary session of the Council. These proposals were again recalculated at \$2.07 to the pound (operational rate for November 1979).

115. The work programme and budget for 1980-1981, as approved by the Council at its tenth extraordinary session, was considered and adopted by the IMCO Assembly on 15 November 1979 at the exchange rate of \$2.10 to the pound - a rate which prevailed in the London market on that date. The Assembly also authorized the Council to approve, at its forty-fifth session (October 1980), any necessary recalculation of the budget and assessment figures for 1981 on the basis of the rate of exchange applicable at the time the Council meets. The breakdown by main appropriation lines of the 1980-1981 budget as approved by the IMCO Assembly (with corresponding appropriations for 1978-1979), is given in the following table.

116. Since the adoption of the budget by the IMCO Assembly, the operational exchange rate has been consistently above the rate upon which the budget is based and the rate of inflation has been higher than anticipated. The Committee was informed in July that even though every effort had been made to economize and cut down expenditure as much as possible - for example, by keeping posts vacant and staggering recruitment - there was likely to be a budgetary deficit of \$474,000 in 1980. The amount remaining in the Exchange Reserve Fund of \$290,000 (see para. 113 above), will be used to cover this deficit, augmented to the extent necessary by transfer, with prior approval of the Council, from the Headquarters Installation Fund which at present has a balance of some \$671,000. The Secretary-General has indicated that he will continue to keep the situation under review and will report to the Council at its forty-fifth session on further developments as regards the 1980 budget.

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Section	1978-1979 biennium	1980-1981 biennium ^{a/}			Increase/(decrease) 1980-1981 from 1978-1979	
		1980	1981	Total		
		\$	\$	\$	\$	%
I. Meetings	2 006 800	668 800	805 800	1 474 600	(532 200)	(26.5)
II. Personnel	8 190 600	6 282 300	7 117 800	13 400 100	5 209 500	63.6
III. General services	1 520 300	1 213 700	1 283 300	2 497 000	976 800	64.2
IV. Printing and publications	65 200	58 600	63 700	122 300	57 100	87.6
V. Other budgetary provisions	878 400	1 427 700	3 542 900	4 970 600	4 092 200	465.9
TOTAL (gross)	12 661 300	9 651 100	12 813 500	22 464 600	9 803 300	77.4
LESS:						
Miscellaneous income . .	247 000	309 800	211 800	521 600	274 600	111.2
TOTAL (net)	12 414 300	9 341 300	12 601 700	21 943 000	9 528 700	76.8

^{a/} Appropriations approved by the Assembly at its eleventh session.

3. Staff

117. Having reviewed staffing needs, the Secretary-General requested the Assembly for 5 Spanish language posts (2 Professional and 3 General Service) and 4 other General Service posts. This compares with the original request for 20 new regular budget posts (4 Professional and 16 General Service), plus 3 Spanish language posts (1 Professional and 2 General Service) added by the Council at its forty-second session. Following the approval of these proposals by the Assembly, the IMCO establishment for 1980-1981 comprises a total of 249 posts, i.e. 217 regular budget posts (including 73 in the Professional and above categories) and 32 (including 10 at the Professional level) financed by the technical co-operation budget.

4. Headquarters facilities and accommodation

118. The construction of the new headquarters has made considerable progress but IMCO was informed early in 1980 by the United Kingdom Government that due to a number of adverse developments a delay of 13 weeks in the completion date had to be granted to the contractor. The completion date is now 17 November 1981 and it will not, therefore, be possible for the twelfth session of the IMCO Assembly to be held in the new headquarters premises as had been hoped. In this connexion, the United Kingdom Government has reaffirmed its previous offer to pay 80 per cent of the cost of hiring outside accommodation for that session.

119. As regards the installation of furniture and equipment in the new headquarters building, progress has been maintained as planned with tenders invited and contracts awarded for telephone equipment, simultaneous interpretation equipment and all conference-room desks.

120. The latest review of expenditure on new headquarters installation items shows a total estimated cost of about \$6.9 million (at \$2.27 to the pound), the three major items of expenditure referred to above (which amount to \$3.3 million) being well within the original estimates. Following the decision of the Assembly at its eleventh session authorizing the Secretary-General to accept soft loans for the purpose of financing part of the new headquarters installation expenditure, the Secretary-General has reported that IMCO has so far been offered soft loans by four members, totalling \$800,000, of which \$100,000, has been already received.

5. Assessment of budget contributions

121. As reported previously by the Advisory Committee (A/34/684, para. 133) the ad hoc working group established by the IMCO Council at its thirty-eighth session to examine the proposal by one member State for a change in the formula for assessment of contributions to IMCO recommended that the present formula should be maintained; the Council at its forty-second session concurred with this recommendation and transmitted it to the Assembly for consideration at its eleventh regular session.

122. The IMCO Assembly decided to refer the question to an ad hoc working group, open to all members, to study and report to the Assembly at its twelfth regular session, with the following terms of reference:

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- A. The mandate of the working group would be to consider the whole question of the apportionment of expenses among Members and to submit proposals, with a system or, if necessary, a range of options, for a fair, equitable and flexible system for the apportionment of the expenses of the Organization among its Members.
- B. Such a system should ensure:
 - (a) That no Members are required to pay in excess of their capacity;
 - (b) That Members who derive lesser amounts of revenue from shipping are not required to finance inordinate proportions of the budget;
 - (c) That the apportionment of expenses would remain fair and viable for the future.
- C. The working group should base its work on the proposals submitted or to be submitted by Members, such proposals to be sent to the Secretary-General not later than 30 June 1980 and communicated by him to all Members well in advance of the meeting of the ad hoc working group.
- D. The working group should hold only one meeting of one week, to be scheduled for immediately after the forty-fifth regular session of the Council in the autumn of 1980.

6. Exchange rate fluctuations on the IMCO budget

123. The IMCO Assembly, at its eighth session (1973) had decided to request the IMCO Council to consider a proposal for expressing the budget in sterling and the possibility of assessing contributions in more than one currency. The Council, having examined this question at its thirty-second and thirty-fourth sessions, recommended to the IMCO Assembly to maintain the present system of expressing the budget in United States dollars and to keep the situation under review. This recommendation was approved by the Assembly at its ninth session. The question has again been raised by another member with a proposal consisting of the following two alternatives:

- (i) The IMCO budget should be expressed and contributions assessed in terms of pounds sterling. Contributions should be payable, as at present, either in sterling or in dollars. If the payment were in dollars, it would be made at the dollar equivalent to the sterling assessment at the exchange rate on the date of payment.
- (ii) Contributions would be assessed for each member as so many pounds and so many dollars in proportion to the anticipated split in IMCO expenditure between dollars and pounds. The proportion would be assessed at the time the budget was approved and on the basis of the dollar/sterling exchange rate then prevailing. Payment in respect of either portion could be made in either dollars or sterling. When the dollar portion was paid in sterling or vice versa, the amount would be calculated at the rate of exchange on the date of payment. The budget could be expressed in either sterling or dollars.

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124. The proposal has been submitted to the Council at the forty-fourth session for preliminary discussion and further consideration with a view to making appropriate recommendations to the IMCO Assembly at its twelfth session.

J. World Intellectual Property Organization

	Swiss Francs	\$US <u>a/</u>
Draft expenditure budget 1981 <u>b/</u>	31,726,000	18,338,728
Draft expenditure budget 1980 <u>b/</u>	30,153,000	17,429,480
	<u>1,573,000</u>	<u>909,248</u>
	5.2 per cent	

a/ At Swiss francs 1.73 to \$US1.

b/ Includes costs attributable to the extended use of certain languages (see para. 142 below), but does not take into account the proposed revision of the budget for these two years to be submitted to the WIPO Governing Bodies at its September 1980 session (see paras. 137-138 below).

125. The Advisory Committee discussed the programme and budget of the World Intellectual Property Organization (WIPO) for 1980-1981 with representatives of the Director-General of that organization.

1. Biennial programme and budget for 1980 and 1981

126. The competent Governing Bodies of WIPO have unanimously adopted a resolution providing for the provisional application, until 1985, of a system of biennial budgets 2/ starting in even-numbered years, in conformity with the existing situation in the United Nations itself and in several of the organizations of the United Nations system.

127. The budgets of WIPO reflect the fact that this organization is also an amalgam of separate Unions. As a consequence, WIPO budgets are, in effect, of a dual nature. They cover, on the one hand, the budget of the WIPO Conference and the

2/ The biennial budgets are adopted by the WIPO General Assembly (budget of expenses common to the Unions), the WIPO Conference (budget of the Conference), and the Assemblies of the Paris and Berne Unions and of the Special Unions (the budgets of those Unions). There will be no annual budgets to be adopted at least until the 1985 sessions of the Governing Bodies of WIPO.

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budget of expenses common to the Unions and, on the other, the budgets of the Unions themselves, which are administered by WIPO. The programme and budget document is presented by "major activities", each of which is subdivided into programmes and shows the expenses, by object of expenditure, connected with each programme and the share of the interested Unions or other units in its financing.

128. The expenses common to the Unions are met from assessments on the Unions in accordance with a scale established by the Governing Bodies. 3/ Further, the Union for the Protection of New Varieties of Plants (UPOV), which has a separate administration, 4/ contributes in an agreed amount (termed "agreed contributions" in the budget) towards common expenses. Additional income is derived from publications revenue and miscellaneous credits, which are accounted for in the budget under the heading "Publications and miscellaneous".

129. Substantive activities of the Unions themselves are financed in a variety of ways. Mandatory contributions (included in the budget as "ordinary contributions") are paid by members of the Paris, Berne, Nice, Locarno and International Patent Classification (IPC) Unions, and by such States members of WIPO as are not members of any of the Unions. Activities related to the Madrid, The Hague and Lisbon Unions are financed by fees collected by the three international registration services established under these Unions (entered in the budget as "fees"). Fees are also collected from applicants for international applications under the Patent Co-operation Treaty (PCT). "Mixed contributions" consist of "ordinary" (mandatory) contributions of member States under the PCT and "Special" (voluntary) contributions towards the PCT by States not party to that Treaty.

2. Programme and budget for 1980-1981

130. The programme and budget covers the two years 1980 and 1981. However, since this is the first biennial budget of WIPO, a year by year comparison is shown, i.e. 1981 against 1980. As can be seen from the tables below a distinction is made between Programme activities (PRG) and Registration activities (REG). According to WIPO the substantive or programme activities serve two aims:

3/ The Governing Bodies of WIPO and the Unions administered by WIPO are the intergovernmental organs referred to in foot-note to paragraph 126 above and also the WIPO Co-ordination Committee and the Executive Committees of the Paris and Berne Unions.

4/ The Director-General of WIPO is the chief administrative officer of UPOV as well. The other Unions of WIPO are all administered jointly by the International Bureau of Intellectual Property, which constitutes the secretariat of WIPO.

- (a) To maintain and spread throughout the world - both in developed and in developing countries - the protection of intellectual creations;
- (b) To make a particular contribution to the development process in developing countries in the field of intellectual property.

WIPO classifies "registration activities" as the receiving and processing of international applications under the Patent Co-operation Treaty (PCT), the Madrid Agreement (International Registration of Marks) and The Hague Agreement (International Deposit of Industrial Designs).

131. WIPO believes that the distinction between programme activities and registration activities is useful because the two activities are different in their nature - that is, conceptual and administrative, respectively - and because their financing and budgeting are fundamentally different. Programme activities are financed by the Member States, and the Member States have complete control over those activities. On the other hand, registration activities are normally financed by fees paid by applicants. Neither the States nor the International Bureau have any real control over registration activities: their nature is defined in treaties, and their extent is a simple and direct consequence of the desire of the persons and enterprises using them. Since the extent of such desire is difficult to forecast, the budgets of the PCT, Madrid and Hague Unions are, and always will be, highly tentative. The role of the Member States in these Unions consists essentially in keeping a constant watch on the International Bureau's administration to ensure that it is efficient and economical.

3. Comparison between 1981 and 1980 budgets

132. The following table analyses the cost increases/decreases and activity increases from 1980 to 1981 by type of activity:

(In thousands of Swiss francs)

Major activities	(A)	(B)	(C)		(D)		(E)	(F)
	1980 budget	1981 Programme costed at same cost rates as 1980 budget	Programme variation (B) - (A) %		Cost variation %		1981 Programme costed at the rate of costs applicable for 1981 (B) + (D)	Percentage of expenses in total draft budget for 1981
Programme (PRG)	14 415	14 571	156	+1.1	202	+1.5	14 773	46.6%
Registration (REC)	13 612	14 350	738	+5.4	278	+2.0	14 628	46.1%
Governing Bodies and Management (DIR)	1 768	1 910	142	+8.0	27	+1.5	1 937	6.1%
Union for the Protection of New Varieties of Plants (UPOV)	358	386	28	+7.8	2	+0.5	388	1.2%
TOTAL	30 153	31 217	1 064	+3.5	509	+1.7	31 726	100.0%

133. The total expenses in the budget proposed for 1981 amount to 31,726,000 Swiss francs (\$18,338,728), an increase of 1,573,000 Swiss francs (\$909,248), or 5.2 per cent, over the expenses budget for 1980.

134. The 5.21 per cent increase in the 1981 estimates over 1980 reflects a 3.5 per cent programme increase and a 1.7 per cent cost increase.

135. The 1.7 per cent cost increase shown in the table is mainly due to provisions for increases in the standard staff costs and a 5 per cent increase in printing. No other provision is included in the 1981 budget for cost increases.

136. The 3.5 per cent increase in activities is made up of the following:

- (a) An increase of 0.5 per cent in PRG activities;
- (b) An increase of 2.5 per cent in REG activities mainly due to the expected increase (by over 50 per cent) in the number of international patent applications filed under the PCT;
- (c) An increase of 0.5 per cent mainly due to the holding of the ordinary sessions of the Governing Bodies of WIPO in 1981.

4. Revision of the budgets for 1980 and 1981

137. The budget for 1980 is based on the assumption that 2,100 international applications would be filed under the Patent Co-operation Treaty (PCT) and that for 1981 the number of applications would be 3,200.

138. However, it is now (June 1980) expected that the number of international registrations filed under the PCT will be 3,200 in 1980 and 3,600 in 1981. Consequently, proposals for the revision 5/ of the budgets of the PCT Union for 1980 and 1981 based on the advice given by the PCT Management and Budget Consultants Group - set up by the PCT Assembly at its September 1979 session - will be submitted to the Governing Bodies of WIPO at their September 1980 sessions so as to adapt the level of income and expenditure (including increase in staff) to the number of international applications now expected to be filed in 1980 and 1981.

5. Staff

139. The total number of posts in the 1980 budget was 235. 6/ Thirteen new posts have been approved for 1981 (1 Professional, 12 General Service).

5/ This revision is not included in the introductory table or in paragraphs 126-136 above.

6/ Including six posts connected with the extended use of certain languages (see para. 142 below).

140. According to WIPO the increase in Programme Activities staff 7/ is mainly due to the need to remedy present understaffing. The major part of the activities of the International Bureau consists in the organization of meetings among representatives of Member States and the major part of the documents are directly linked with such meetings. WIPO has indicated to the Advisory Committee that among the best objective indicators of the general workload of the International Bureau are the number of meetings held and the number and volume of documents issued. An analysis made by WIPO of the evolution of these indicators between 1973 and 1978 shows that the number of conference days has increased by 186 per cent, the number of master pages of documents by 70 per cent while the total budgeted staff has increased by only 25 per cent. According to WIPO this shows that, in spite of some compensation by better working methods and equipment, there is a serious problem of understaffing in WIPO. In the opinion of WIPO a detailed analysis of the volume of work in specific areas compared to staffing in those areas points to the same conclusion.

141. Staff increases for Registration Activities are also attributed by WIPO to understaffing and to the expected substantial increase in the number of international patent applications filed under the International Patent Co-operation Union (PCT). 8/

6. Extension of the use of certain languages

142. Further to a decision by the WIPO Co-ordination Committee to place the question of the extension of the use of Arabic, Portuguese, Russian and Spanish on the agenda of the 1979 sessions of the competent Governing Bodies of WIPO, the Governing Bodies of WIPO decided that a yearly amount of 400,000 francs 9/ would be added to the budget for 1980 and 1981.

7. Headquarters facilities

143. WIPO moved to its new building in May 1978. Office space (one complete floor) was rented at commercial rates to outside tenants for a period of two years. At present only part of that floor is rented to outside tenants, and it can be said that, taking into account WIPO needs for the near future, WIPO occupies almost the whole of the new building. Two floors of the BIRPI (old) building are also used by WIPO and two other floors are being rented, at commercial rates, to outside tenants and will continue to be rented until WIPO is in need of such office space.

7/ One post in PRG items and the equivalent of two posts distributed from Support Activities in 1981.

8/ Six posts in REG items and the equivalent of four posts distributed from Support Activities in 1981.

9/ These amounts which represent an increase of 1.8 per cent in 1980 over the 1979 budget and 1.3 per cent in 1981 over the 1980 budget are included in the introductory table.

K. International Fund for Agricultural Development

	\$
Administrative budget 1980	12,848,000
Administrative budget 1979	10,450,000

1. Administrative budget performance - 1979

144. The Administrative Budget approved for 1979 amounted to \$10,450,000, including a contingency of \$950,000. Current estimates indicate that the total actual expenditures for 1979 will be largely in line with the approved budget allocation but that some use of the contingency will be required. The following table shows the budget and estimated expenditure for 1979:

Table 1 - 1979 approved budget and estimated expenditure

(In thousands of United States dollars)

	<u>Approved budget</u>	<u>Estimated expenditure for year a/</u>
Governing Council	155	155
Executive Board meetings	370	545
Staff costs	4,360	4,139
Official travel	405	416
Co-operating institutions and consultants	3,100	3,052
Operational and administrative expenses	<u>1,110</u>	<u>1,396</u>
	9,500	9,612
Contingency	<u>950</u>	
	10,450	

a/ Based on actual payments to 30 September 1979, accrued charges to that date and estimates for the remainder of the year.

145. Costs for the Executive Board meetings were expected to be considerably higher than the budget levels because of the increased volume of documentation prepared for the Board meetings, for which additional translation and printing was necessary. The fees for translators and interpreters' services have also increased more than was anticipated.

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146. The total staff level for 1979 is 140, composed of 66 Professional and 74 support (General Service) positions. As at 31 October 1979, 68 of the 74 support positions were filled by fixed term staff while the remaining six positions were temporarily occupied pending the recruitment of fixed-term staff. With regard to the 66 Professional positions, as of 31 October 1979, all but 12 were occupied and recruitment was in process for the vacant positions. It was estimated that expenditure for staff costs in 1979 would be \$221,000 less than the budget level.

2. Administrative budget 1980

147. The administrative budget for 1980 was proposed by the President of IFAD to the Executive Board in an amount of \$12,848,000. The Board recommended this budget to the Governing Council of IFAD which approved it in January 1980. The budget for 1980, including a comparison with 1979 is as follows:

	\$US	
	1980	1979
1. Governing Council	156,000	155,000
2. Executive Board	450,000	370,000
3. Staff	5,972,000	4,360,000
4. Official travel	696,000	405,000
5. Co-operating Institutions and Consultants	3,570,000	3,100,000
6. Operational and administrative expenses	1,301,000	1,110,000
7. Support for special UN committees and activities	41,000	-
8. Costs related to IFAD's replenishment meetings and special travel	50,000	-
	<u>12,236,000</u>	<u>9,500,000</u>
Contingency	612,000	950,000
	<u><u>12,848,000</u></u>	<u><u>10,450,000</u></u>

148. The administrative budget for 1980 is based upon a projected commitment level of \$400 million for 1980. Where a range is indicated for the number of project activities, the budget has been costed using the lower end of the range. The budget estimates also contain the total staffing requirements, both Professional and support, needed to carry out effectively the proposed work programme and to discharge the Fund's responsibilities.

149. The 1980 budget, excluding the contingency, amounts to \$12,236,000, compared to \$9,500,000 for 1979, representing an increase of \$2,736,000. Of the increase of \$2,736,000, approximately 75 per cent, or about \$2,108,000, is attributable to mandatory increases, and only 25 per cent or about \$628,000, to increases arising from a higher level of programme activities in 1980.

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Analysis of 1980 budget increases(In thousands of United States dollars)Mandatory increases

Increases due to inflation which is expected to average 14 per cent, including an estimated \$670,000 for increases in regular salaries and benefits in accordance with the UN common system	1,331	
Increases reflecting the additional cost to cover a full year's occupancy for 140 staff members	532	
Staff repatriation and termination indemnities	245	
		<u>2,108</u>

Other increases

Increases arising from additional programme operations and travel	357	
Cost of 10 new staff positions required for 1980, assuming nine months' occupancy	180	
Budget support for UN committees and activities . . .	41	
Replenishment: provision for extra meetings and travel	50	628
Total increase		<u>2,736</u>

3. Staff costs

150. Staff costs include salaries and benefits which consist of such items as contributions to the United Nations Staff Pension Fund and to medical insurance schemes, education grants, home leave travel and repatriation and termination indemnities.

151. The 1979 budget included 35 positions which were costed on the basis of occupancy rates of 6-8 months. It was anticipated that all 140 positions planned for 1979 would be filled by 1 January 1980 requiring an additional \$532,000 in salaries and benefits in 1980.

152. The total mandatory increases required for salaries and benefits in 1980 over 1979 were estimated by IFAD at \$670,000. That amount included three classes of post adjustment, General Service increases tied to the official index calculated

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by the Italian Bureau of Labour Statistics, annual step increases, which were estimated at approximately 3 per cent of net salaries, and increases in pension contributions.

153. In 1978 and 1979, no provision was made for repatriation grants for Professional staff and termination indemnities for support staff. Under the United Nations common system, these costs accrue in relation to the individual's length of service and it is prudent to provide for these payments on an annual basis. The cost for this item for 1980 is estimated at \$345,000.

154. The increase in cost for overtime and temporary support staff between 1979 and 1980 reflects the general inflationary trends in the local job market.

155. Ten new positions, 1 Professional and 9 support, have been approved for 1980. The Professional post, an Assistant Information Officer is for the Information and Communications Unit. The additional support staff have been allocated as follows:

Support staff

Project Management Department	Operations assistant
	Two secretaries
Office of the Secretary (Arabic)	Bilingual typist
Administrative Services Unit operator	Telephone and telex
operator	Offset printing
Legal Services Division	Secretary
Financial Services Division assistant	Loan administration
operator	Accounting machine

156. With these additions the total staff is 150, comprising 67 Professionals and 83 support staff. The total staffing by department and division is as follows:

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1980 ADMINISTRATIVE BUDGET

STAFF REQUIREMENTS

	PROFESSIONAL STAFF			TOTAL	SUPPORT STAFF
	D1 and above	P5	P4 and below		
OFFICE OF THE PRESIDENT (a)	-	1	1	2	5
PROJECT MANAGEMENT DEPARTMENT					
Assistant President	1	-	-	1	1
Africa Division	1	7	2	10	5
Asia Division	1	5	2	8	4
Latin America Division	1	2	1	4	3
Inter-Divisional Staff (b)	1	4	4	9	4
	5	18	9	32	17
ECONOMIC AND PLANNING DEPARTMENT					
Assistant President (c)	1	-	-	1	2
Africa Unit	1	1	1	3	1
Asia Unit	1	-	1	2	1
Latin America Unit	1	1	-	2	1
Monitoring and Evaluation Unit	-	1	-	1	1
	4	3	2	9	6
GENERAL AFFAIRS DEPARTMENT					
Assistant President	1	-	-	1	1
Secretary of IFAD (d)	1	1	3	5	9
External Relations Division	1	-	1	2	2
Information and Communications Unit	-	1	1	2	2
Administrative Services Unit	-	1	2	3	26
	3	3	7	13	40
LEGAL SERVICES DIVISION	2	1	1	4	3
FINANCIAL SERVICES					
Treasury	-	1	-	1	2
Controller's Office	-	1	2	3	5
Loan Administration	-	-	1	1	1
	-	2	3	5	8
PERSONNEL DIVISION	1	-	1	2	4
GRAND TOTAL	15	25	24	67	83

a/ Professional staff consists of the Chef de Cabinet and the Internal Auditor. Support staff includes secretaries for the President, Vice-President, Chef de Cabinet and an assistant to the Internal Auditor. The President and the Vice-President are not included in the staffing figures.

b/ Professional staff consists of the Senior Operations Officer, five Technical Advisers and three Project Economists.

c/ Support staff includes the Librarian.

d/ Includes the Translation Unit consisting of three Professional Translators and four bilingual typists.

Note: Salaries of Professional and support staff are in accordance with the scale established under the United Nations common system.

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157. The Advisory Committee noted that of the 67 Professional staff 43 were at the P-5 level or above. It was explained to the Committee that the Fund, only recently established, needed the services of experienced mid-career Professionals if it was to commence its operations quickly and efficiently. Once the senior staff is in place the staffing of IFAD can be completed by providing for less senior and training positions. In this connexion the Advisory Committee recommends that in the future IFAD's staffing table presentations should provide an indication of the number of posts for each Professional grade, as is the practice in other agencies. In a related matter the Committee also suggests that a clearer and more detailed analysis of common staff costs be provided in future budget presentations.

4. Co-operating institutions and consultants

158. The cost to IFAD of co-financed projects is largely limited to IFAD's staff participation and related travel and administrative costs.

159. Costs incurred by co-operating institutions in carrying out work on Fund-initiated projects are subject to reimbursement by IFAD. During 1979 IFAD reached agreement on a basis for the reimbursement of costs with most of the co-operating institutions concerned. Together with improved estimates of the average duration of the phases of the project cycle derived from experience in 1979, this provides a firmer basis for estimating amounts payable to co-operating institutions than was possible hitherto.

160. To provide a wider choice of expertise in the staffing of project missions and special programming missions, IFAD will continue to engage special consultants. Efforts are being made to engage increasing number of consultants from developing countries.

161. The increase in 1980 of \$470,000 over 1979 levels is, in part, attributable to inflation, and in part to an increase in the level of operations, including an increase of about \$200,000 in the cost of supervision of the implementation of approved projects.

5. Meetings - Governing Council and Executive Board

162. The amount of \$156,000 for the fourth session of the Governing Council is for the salaries and daily subsistence allowance of translators, interpreters and bilingual typists involved in the preparation of documentation for the meetings, and in providing simultaneous translation and other services at the meetings, and related travel, printing and miscellaneous expenses.

163. The budget allocation of \$450,000 for meetings of the Executive Board in 1980 has been calculated on the basis of four meetings, and includes documentation and simultaneous translation expenses, as itemized above, and travel and daily subsistence expenses of the Executive Directors and Alternates.

6. Official travel

164. Increases for this item over the 1979 Administrative Budget include some \$121,000 largely due to inflation and some \$170,000 attributable to additional travel in support of the 1980 Programme of Work, and participation in United Nations meetings and other important activities. The increase in the number of identification, preparation and appraisal missions planned for 1980 call for increased travel by IFAD staff. Furthermore, by the end of 1979 IFAD was expected to have a portfolio of 33 approved projects, for which the co-operating institutions would undertake periodic supervision field visits. As indicated earlier, it is necessary for IFAD staff to participate in some of these supervision missions. Participation in United Nations and other meetings of particular interest to IFAD, both as a United Nations specialized agency and as a development institution primarily concerned with food problems and rural poverty, will also entail additional travel.

7. Operational and administrative expenses

165. The budget allocation for operational and administrative expenses represents an increase of \$191,000 over the 1979 level. The increase is partly attributable to price increases. Almost all of the labour-intensive service contracts, including security and custodial services, cleaning and office machine maintenance, have increased by approximately 14 per cent reflecting the increase in the cost of living in Italy. Security and custodial services provide for the security of the staff during working hours and protection of the IFAD building and its equipment from vandalism, theft and fire 24 hours a day. Some of the security protection has been eliminated so that the total costs for 1980 are \$270,000 (which includes a 14 per cent cost of living increase) compared to estimated expenditures of \$286,000 for 1979. Other increases arise from the need to revise the level of expenditures for certain subcategories in the light of experience in 1979. For example, telephone, telex and postage expenses, comprised in the subcategory "communications", were under-estimated by some \$33,000 in 1979 because the initial estimates were based on the first few months of IFAD's operations.

8. Support for special United Nations committees and activities

166. IFAD is expected to share in the expenses of certain special activities which are jointly financed by all United Nations agencies or by the agencies which have a particular interest in the activity concerned. The budgeted amount for this item is \$41,000. The main items budgeted for are contributions to the ACC Sub-Committee on Nutrition, the Consultative Committee on Administrative Questions, and the World News Supplement, sponsored by the United Nations.

9. IFAD replenishment

167. It was expected that IFAD's first replenishment would require some special travel, meetings and other related expenses at a cost of \$50,000.

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10. Contingency provision

168. The contingency provision for unforeseen expenditure in 1980 amounts to \$612,000 or 5 per cent of estimated expenditures. This is some \$338,000 less than the contingency provision in 1979 which was based on 10 per cent of estimated expenditure for that year.

169. Two considerations were foremost in arriving at this amount:

- (a) IFAD has had limited experience operating at a commitment level of \$375-400 million per annum. There is a possibility, therefore, that some costs may be unforeseen or under-budgeted.
- (b) Approximately 40 per cent of costs included in the 1980 Administrative Budget would be paid in Italian lira. These costs are principally the salaries of support staff, air fares, and the great majority of operational and administrative expenses. The 1980 Administrative Budget provides for these costs at the US dollar/Italian lira exchange rate applicable in mid-1979. Any appreciation of the Italian lira against the United States dollar would have the effect of increasing IFAD's costs in United States dollar terms. The high proportion of lira costs calls for a substantial provision to cover this contingency.

L. International Atomic Energy Agency

	\$
Proposed regular budget for 1981	88,677,000
Adjusted regular budget for 1980	80,643,000
Increase	8,034,000
	10 per cent

170. The Advisory Committee discussed the budget of the International Atomic Energy Agency (IAEA) for 1981 and other related matters with representatives of the Director-General.

171. In accordance with the IAEA statute, budget estimates are submitted annually by the Board of Governors to the General Conference for approval. The estimates are initially prepared by the Director-General and reviewed by the Administrative and Budgetary Committee of the Board. The annual budget estimates are presented within the framework of a rolling six-year programme which is updated every second year. The 1981 budget estimates relate to the second year of the period 1980-1981 and to the first year of the six-year period 1981-1986. The budget under discussion was reviewed by the Board of Governors in June 1980 for presentation to the General Conference at its twenty-fourth regular session in September 1980.

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1. Format

172. With reference to the budget presentation in previous years, a separate presentation of the Operational Budget has been discontinued. In previous budget documents, the Operational Budget consisted of the General Fund, Operating Fund I and Operating Fund II. The General Fund and Operating Fund II are both entirely in support of the Agency's Technical Assistance programme. The two funds have been combined in a single presentation and entitled "Technical Assistance Fund".

173. Operating Fund I, as a separate entity, has been discontinued in order to improve the presentation in respect of the International Centre for Theoretical Physics (Trieste Centre) and the International Laboratory of Marine Radioactivity (Monaco Laboratory). The special contributions by Member States and United Nations organizations are now shown in the Consolidated Budget, under the heading Extrabudgetary resources.

2. Regular budget

174. At the request of the Board of Governors, the Director-General issued forecasts of the budget for 1981 on 8 November 1979 and subsequently, on 15 February 1980. These forecasts were reviewed in detail by several ad hoc groups of the Board. As a result of these reviews, the forecasted budgets underwent two consecutive reductions. The preliminary budget forecast for 1981 circulated to Governors in November 1979 provided a total budget figure of \$93.9 million. The reduced forecast circulated in February 1980 was \$92 million. Finally, the budget estimate was further reduced to \$88.7 million. A breakdown of the regular budget estimates for 1981, and a comparison with the adjusted budget for 1980 is provided in the table below.

IAEA regular budget programme	1980 adjusted budget	Price increase		Programme increase (decrease)		Total change		1981 Estimate
	\$	\$	%	\$	%	\$	%	\$
A. Technical assistance and training (Regular Budget)	3 619 000	323 700	8.9	78 300	2.2	402 000	11.1	4 021 000
B. Nuclear Power	2 792 000	174 400	6.2	(331 400)	(11.9)	(157 000)	(5.6)	2 635 000
C. Nuclear Fuel Cycle	2 741 000	226 000	8.2	(50 000)	(1.8)	176 000	6.4	2 917 000
D. Nuclear Safety	4 147 000	384 300	9.3	265 700	6.4	650 000	15.7	4 797 000
E. Nuclear explosion for peaceful purposes	223 000	17 500	7.8	(66 500)	(29.8)	(49 000)	(22.0)	174 000
F. Food and agriculture	3 865 000	317 600	8.2	(163 600)	(4.2)	154 000	4.0	4 019 000
G. Life sciences	2 972 000	248 800	8.4	(261 800)	(8.8)	(13 000)	(0.4)	2 959 000
H. Physical sciences	6 096 000	501 600	8.2	(296 600)	(4.8)	205 000	3.4	6 301 000
J. International Centre for Theoretical Physics (regular budget)	901 000	65 000	7.2	-	-	65 000	7.2	966 000
K. International Laboratory of Marine Radioactivity (regular budget)	915 000	56 700	6.2	(700)	(0.1)	56 000	6.1	971 000
L. Safeguards	21 740 000	1 989 000	9.1	1 274 000	5.9	3 263 000	15.0	25 003 000
M. Information and technical services	4 436 000	365 000	8.2	(96 000)	(2.1)	269 000	6.1	4 705 000
N. Policy-making organs	2 592 000	206 800	8.0	(115 800)	(4.5)	91 000	3.5	2 683 000
O. Executive management and technical programme planning	1 568 000	146 000	9.3	(37 000)	(2.3)	109 000	7.0	1 677 000
P. Administration	7 855 000	623 600	7.9	(45 600)	(0.6)	578 000	7.3	8 433 000
Q. General services	12 216 000	1 314 000	10.7	(177 000)	(1.4)	1 137 000	9.3	13 353 000
Agency programmes	78 678 000	6 960 000	8.8	(24 000)	(0.0)	6 936 000	8.8	85 614 000
S. Cost of work for others	1 965 000	133 000	6.8	965 000	49.1	1 098 000	55.9	3 063 000
TOTAL: regular budget	80 643 000	7 093 000	8.8	941 000	1.2	8 034 000	10.0	88 677 000

175. The budget estimates for 1981 are based on an exchange rate of 12.90 Austrian schillings to the United States dollar. Because experience at the time the budget was prepared indicated greater stability of the dollar, no amount has been included in a special appropriation section, as was done in 1980, to cover an adjustment of programme cost estimates resulting from a depreciation of the dollar. The Advisory Committee understands, however, that recent currency fluctuations may necessitate a request for provision to meet currency instability.

176. As can be seen from the table above the increase for the Agency programmes in 1981 over the 1980 level is \$6,936,000 or 8.8 per cent. The entire increase is attributable to inflation.

177. There is a zero real growth for the Agency's programmes as a whole. As regards individual activities, there is a programme increase for Technical Assistance Nuclear Safety and Environmental Programme and Safeguards. The total programme increase for these activities is offset by programme reductions for all other Agency's activities. As regards individual items of expenditure, programme increases are requested for established posts, common staff costs and travel. The programme increase for established posts and common staff costs, totalling \$784,000 or 1.5 per cent, results from 33 new posts requested for 1981. The programme increase for travel, \$230,700 or 12 per cent, is attributable entirely to the "Nuclear Safety" and the "Safeguards" programmes. All other items of expenditure show a reduction, mainly for meetings, scientific and technical contracts, common services, supplies and equipment.

178. The IAEA completed in October 1979 its move to its permanent headquarters at the Vienna International Centre (VIC). The Agency occupies Towers A and B and bears all the cost of operating them. The cost of operating the common services buildings are shared on an approximately 50:50 basis between the IAEA and other users. The operating costs for the Agency's occupancy in the VIC are budgeted for under the chapter "General Services". The total estimate for this purpose shown in the regular budget is \$8,353,000, including a provision of \$33,333 as the Agency's contribution to a common fund for major repairs. The establishment of this fund is still under negotiation with Austrian authorities. The estimates for General Services has been prepared without benefit of actual operating experience; they are based on a projection of the estimates included in the 1980 budget. As compared to estimates for 1980, the provision included in the 1981 budget takes into account an over-all price increase of about 10 per cent attributable to inflation, especially for heating, cooling and electricity.

179. In accordance with the Memorandum of Understanding between the United Nations, UNIDO and IAEA on common services at the VIC (signed in March 1977), the costs incurred by the Agency for the Library, Data Processing, Medical and Printing Services will be recovered from the organizations for which the services are provided.

3. Staff

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

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Grade of post	Number of established posts					
	1979 adjusted	1980	1980 adjusted	1981	1981/1980 increase (decrease)	
Director-General	1	1	1	1	-	
Deputy Director-General/ Inspector General	5	5	5	5	-	
Director	21	21	21	22	1	
P-5	133	138	138	145	7	
P-4	215	223	223	229	6	
P-3	144	153	153	158	5	
P-2	39	41	41	37	(4)	
P-1	11	10	10	10	-	
Subtotal	569	592	592	607	15	
General Service	718	756	756	774	18	
Manual and Operative	168	80	80	80	-	
Total	1 455	1 428	1 428	1 461	33	
Department:					P	GS
Office of the Director- General	14	15	15	15	-	-
Department of Technical Assistance and Publications	215	219	222	224	-	2
Department of Technical Operations	227	232	235	236	-	1
Department of Research and Isotopes	254	255	254	254	-	-
Department of Safeguards	282	322	324	354	15	15
Department of Administration	463	385	378	378	-	-
Total	1 455	1 428	1 428	1 461	15	18

181. As can be seen in the table above the 1,461 posts proposed for 1981 represent an increase of 33 (15 Professional and above and 18 General Service) over 1980 levels. The Safeguards programme is to receive all of the 15 Professional posts and 15 of the 18 new General Service posts.

4. Technical Assistance Fund

182. In June the Board of Governors considered the target for voluntary contributions to the Technical Assistance Fund and decided to recommend an increase in the target from \$10.5 million for 1980 to \$13 million for 1981.

5. Extrabudgetary resources

183. The Agency's extrabudgetary resources in 1981 are estimated at \$12,444,000 (excluding contributions in kind) as compared to \$13,829,000 in 1980 and \$13,984,627 in 1979 (actual obligations). UNDP is the major expected source of funding (\$6.5 million). The programmes which will receive most of the extrabudgetary funds are technical assistance and training (\$8,810,000), International Centre for Theoretical Physics (\$1,284,000 - see para. 173 above) and Safeguards (\$1,385,000).
