



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/34/684
15 November 1979

ORIGINAL: ENGLISH

Thirty-fourth session
Agenda item 100

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

Report of the Advisory Committee on Administrative
and Budgetary Questions

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. INTRODUCTION	1 - 3	3
II. GENERAL OBSERVATIONS AND COMPARATIVE TABLES.	4 - 17	4
Table A.1. Total amounts of approved regular budgets.		8
Table A.2. Member States' total net contributions		9
Table B. Established posts.		10
Table C. Regular budget contributions to technical co-operation activities.		11
Table D. Working Capital Fund		12
Table E. Scales of assessment		13
Table F. Collection of contributions.		18
III. COMMENTS ON THE BUDGETS OF THE AGENCIES.		19
A. International Labour Organisation.	18 - 42	19
B. Food and Agriculture Organization of the United Nations	43 - 56	32
C. United Nations Educational, Scientific and Cultural Organization.	57 - 66	36
D. International Civil Aviation Organization.	67 - 74	41

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
E. Universal Postal Union	75 - 82	43
F. World Health Organization.	83 - 100	45
G. International Telecommunication Union.	101 - 112	54
H. World Meteorological Organization.	113 - 124	58
I. Inter-Governmental Maritime Consultative Organization	125 - 133	62
J. World Intellectual Property Organization	134 - 156	65
K. International Fund for Agricultural Development	to be issued as document A/34/684/Add.1	
L. International Atomic Energy Agency	157 - 176	73

I. INTRODUCTION

1. In its resolution 14 (I) of 13 February 1946 the General Assembly provides, inter alia, that one of the functions of the Advisory Committee on Administrative and Budgetary Questions is "to examine on behalf of the General Assembly the administrative budgets of specialized agencies and proposals for financial arrangements with such agencies". In pursuance of that requirement, the Advisory Committee met in 1979 with the executive head of the Inter-Governmental Maritime Consultative Organization (IMCO) and with senior representatives of the executive heads of 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) and the World Health Organization (WHO). The Advisory Committee also met with a representative of the Director-General of the International Atomic Energy Agency (IAEA) pursuant to the provisions of article XVI, paragraph 3, of the relationship agreement between the Agency and the United Nations. Information on the budgets of the Universal Postal Union (UPU), the International Telecommunication Union (ITU), the World Meteorological Organization (WMO), and the World Intellectual Property Organization (WIPO) has been supplied to the Advisory Committee by correspondence. 1/

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

3. Sections II and III below deal, respectively, with general budgetary observations and with the budgets of individual agencies. The main focus is on the approved budgets or budget estimates for 1980 as compared with the budget for 1979. In paragraph 5 of resolution 33/142 A of 20 December 1978, the General Assembly requested the Advisory Committee "to give greater emphasis in its future reports on administrative and budgetary co-ordination to budgetary developments in individual organizations which are of potential interest to other organizations and to supplement those annual reports with reports on specific problems common to the United Nations system". Pressure of work connected with the examination of the proposed programme budget of the United Nations for the biennium 1980-1981 made it impossible for the Advisory Committee to include any special topics in its 1979 review of administrative and budgetary co-ordination of the United Nations with the specialized agencies and IAEA. The Committee intends to respond next year to the request addressed to it in resolution 33/142.

1/ Information on the administrative budget estimates of the International Fund for Agricultural Development (IFAD), pursuant to the provision of 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, will be included in an addendum to the present report. The review has not covered the budgets of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) whose agreements with the United Nations do not provide for the transmittal of their budgets for examination by the General Assembly.

II. GENERAL OBSERVATIONS AND COMPARATIVE TABLES

4. This section contains seven tables which provide comparative data on the following:

- A.1. Total amounts (net of staff assessment) of approved regular budgets (including supplementary appropriations) or estimates;
- A.2. Total net contributions of Member States actually payable under approved regular budgets;
- B. Established posts;
- C. Regular-budget contributions to technical co-operation activities;
- D. Working capital funds;
- E. Scales of assessment;
- F. Collection of contributions.

The format of the tables is identical with that of the tables included in the Committee's report to the General Assembly at its thirty-third session (A/33/309 and Corr.1 and Add.1).

5. The approved or proposed regular budgets of the United Nations, the specialized agencies (excluding IFAD) and IAEA in 1980 amount to a total of \$1,313 million, of which \$516 million relates to the United Nations and \$797 million to the specialized agencies and IAEA. The increase over 1979 is nearly \$134 million or 11.4 per cent. Of the total of \$1,313 million in 1980, \$1,257.5 million will be provided by Member States by way of assessments; the balance of \$55.5 million will be met from miscellaneous income. The total that will be required in 1980 by way of assessed contributions will be \$110 million, or 9.6 per cent, more than in 1979. As can be seen from the detailed material in section III below, the organizations ascribe the bulk of the increases in 1980 over 1979 to inflation and to exchange rate fluctuations rather than to programme increases.

6. For five organizations (United Nations, ILO, FAO, WHO and IMCO) 1980 will be the first year of a new budgetary biennium. The figures in table 1 A show that the highest rate of increase, in dollar terms, between 1979 and 1980 is proposed for FAO (28.5 per cent), followed by IMCO (25.8 per cent), WHO (16.9 per cent) and the United Nations (12 per cent); ILO's budget shows a decline of 1.9 per cent. Of the organizations which have annual budgets, only one shows a dollar increase in excess of 10 per cent (IAEA - 23.7 per cent).

7. The above percentage changes are affected by factors such as differences in methodology and in the pattern of expenditures in currencies other than the United States dollar. They should not therefore be regarded as necessarily indicative of the relative rates of real growth of individual organizations. Inasmuch as about

/...

three quarters of the organization's budgets relate to personnel resources, changes in the size of the staff normally provide an indication of real-term changes in an organization's programme budget. Such an interpretation would not be accurate, however, for all the organizations concerned (see para. 8 below).

8. In recent years the budgets of several peace-keeping operations have been financed by way of assessment outside the regular budget of the United Nations. At the time this report was being prepared the Security Council had not yet taken decisions on the extension of the United Nations Disengagement Observer Force (UNDOF) and the United Nations Interim Force in Lebanon (UNIFIL) into 1980. However, as can be seen from the reports of the Secretary-General in documents A/34/570 and Corr.1 and A/34/582 and Corr.1, the Secretary-General estimates that, should the mandates of those two forces be extended, they would require expenditure at an annual rate of approximately \$154 million net of staff assessment.

9. Member States also contribute to programmes, funds and other organizations which are financed through voluntary contributions. Several of them have their own administrative budgets. The related amounts (net of staff assessment) for the main voluntary programmes include:

	<u>In millions of dollars</u>
United Nations Development Programme and related funds.	91.9 <u>a/</u>
United Nations Children's Fund	53
United Nations Fund for Population Activities.	6.7
United Nations High Commissioner for Refugees.	18.1 <u>b/</u>
World Food Programme	17.8 <u>c/</u>
United Nations Institute for Training and Research.	2.2
United Nations University.	<u>13.8</u>
Total	<u>203.5</u>

a/ Half the amounts approved by the Governing Council for 1980-1981 in decisions 79/38 and 79/44.

b/ Programme support and administrative costs financed under the General Programmes and the Special Programmes.

c/ Half the administrative budget estimates for 1980-1981 as approved by the Committee on Food Aid Policies and Programmes.

10. A number of Member States also contribute to a peace-keeping operation which is financed on a voluntary basis, namely, the United Nations Force in Cyprus (UNFICYP). Should the Security Council extend the mandate of the Force for the whole of 1980, the related costs would amount to approximately \$25 million.

/...

11. As can be seen from table B below the total number of established posts approved or proposed for 1980 for the specialized agencies (other than IFAD) and IAEA is only 11 posts higher than the total number authorized for 1978. The increase would have been larger were it not for two special factors, namely, the decision of WHO to reduce the number of established posts while increasing other means of action (which has led to a decline of 112 in the number of posts in WHO) and the transfer of certain general service responsibilities at Vienna from IAEA to the United Nations.

12. Not all established posts are filled on a year-round basis; in recognition of this fact, several agencies apply a vacancy or turnover deduction to their staff costs. On the other hand, all organizations have additional staffing resources available to them under their regular budgets and from extrabudgetary resources, including agency support costs. The total number of staff in post on a given date is thus larger than the number of regular-budget established posts, as can be seen from the following table which reflects the position as at 31 December 1978, as reported to the Consultative Committee on Administrative Questions (CCAQ):

	<u>Regular budget</u>	<u>Extrabudgetary</u>	<u>Total</u>
United Nations <u>a/</u>	10,318	4,859	15,117
ILO	1,382	1,201	2,583
FAO	2,669	3,373 <u>b/</u>	6,042 <u>b/</u>
UNESCO	2,409	958	3,367
ICAO	638	433	1,071
UPU	131	38	169
WHO	3,000	1,275	4,275
ITU	529	331	860
WMO	240	141	381
IMCO	174	58	232
WIPO	192	1	193
IFAD	81	-	81
IAEA	<u>1,265</u>	<u>98</u>	<u>1,363</u>
Total	<u>23,028</u>	<u>12,766</u>	<u>35,794 <u>c/</u></u>

a/ Including the staff of the International Court of Justice, UNHCR, the International Civil Service Commission, the international staff of UNRWA and half the staff of the International Trade Centre-UNCTAD/GATT (in recognition of the fact that half the budget of the Centre is charged to the United Nations regular budget).

b/ Including staff of WFP.

c/ Includes 8,258 project posts.

/...

13. The number of staff in post as at 31 December 1978 serving with funds and programmes which are wholly financed from voluntary contributions totalled 6,764, as follows:

UNDP and UNFPA	4,768
UNICEF	1,887
UNITAR	37
United Nations University	<u>72</u>
	<u>6,764</u>

14. As can be seen from paragraph 12 above there were, on 31 December 1978, 35,794 staff in post with the United Nations, the specialized agencies (other than IFAD) and IAEA. If one adds to that number the 6,764 staff of the funds and programmes financed wholly from voluntary contributions, one gets a total of 42,558 as at 31 December 1978. The comparable figure for 31 December 1977 was 41,176 (41,276 as reported by the Advisory Committee in A/33/309, para. 16, less half the posts of ITC attributable to the share of the Centre's budget payable by GATT). The increase during the intervening 12-month period was thus 1,382 or 3.4 per cent (as against an increase of 1,864 or 4.7 per cent for the previous 12-month period).

15. The Advisory Committee notes that the personnel statistics compiled by CCAQ exclude the staff serving with the International Computing Centre (ICC), 2/ the staff of peace-keeping operations, and the local staff of UNRWA.

16. In its meetings with the representatives of executive heads of the organizations, the Advisory Committee inquired into their respective organizations' procedures related to the reclassification of posts. The information received is summarized in the material on the agencies concerned, in section III below. The Committee intends to inquire further into this question next year and, if necessary, will submit a report to the General Assembly at its thirty-fifth session.

17. As can be seen from table C below, the United Nations, the specialized agencies (excluding IFAD) and IAEA estimate that their regular programmes of technical co-operation will amount in 1980 to a total of \$178 million. Nearly three quarters of that total will be provided by the World Health Organization. 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 (of which the principal is UNDP). As organizations do not have cost accounting, the actual amount of such contributions is not known, but as an order of magnitude the specialized agencies (excluding IFAD) and IAEA estimate that in 1980 their regular budgets will contribute \$34 million towards the support costs of projects; the United Nations estimates its contribution at \$17 million. Thus, the United Nations, the specialized agencies (other than IFAD) and IAEA estimate that in 1980 they will spend from their regular budgets a total of \$229 million on technical co-operation activities. This corresponds to about 17.5 per cent of their combined regular budgets which amount to \$1,313.4 million (see table A.1).

2/ Twenty-six at the end of 1978, excluding the Director whose post is included in the total for the United Nations.

Table A.1
Total amounts of approved regular budgets, including supplementary estimates
(United States dollars) a/

Organization	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
United Nations	172 327 800	183 740 200	204 970 400	264 549 000	264 549 000	336 844 450	336 844 450	461 010 350	461 010 350	516 471 750 <u>b/</u>
ILO	31 464 925	35 751 500	35 751 500	47 534 500	47 534 500	80 308 203	80 308 203	103 827 712	103 827 713	101 889 577
FAO	36 113 500	40 830 000	40 830 000	54 400 000	54 400 000	83 500 000	83 500 000	105 675 000	105 675 000	135 830 000 <u>b/</u>
UNESCO	46 020 580	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
WHO	75 215 000	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
CAO	8 414 413	8 818 237	10 692 951	12 121 435	14 295 595	16 756 438	18 223 111	18 924 400	20 187 400	21 041 400
UPU	1 961 165	2 074 316	2 877 813	4 039 124	4 365 000	5 614 016	6 467 373	8 343 584	10 046 358	9 316 994 <u>b/</u>
ITU	8 383 671	9 020 500	13 513 094	18 545 037	21 183 308	25 566 311	31 032 350	38 174 335	40 406 358	40 056 069
WMO	3 787 577	4 381 730	5 497 700	6 750 030	8 679 540	10 201 210	10 353 900	14 632 859	16 318 950 <u>c/</u>	17 495 000
IMCO	1 601 106	1 969 900	2 075 156	2 924 000	3 226 265	5 259 800	5 989 600	6 034 400	6 626 900	8 334 450 <u>b/</u>
WIPO	2 543 797	3 034 211	4 094 375	5 430 292	6 613 534	8 524 590	11 386 175	14 746 243	15 961 272	17 143 353 <u>b/</u>
IAEA	14 214 258	16 804 196	19 935 786	24 320 843	32 175 000	37 236 299	46 341 000	53 079 000	65 177 000	80 643 000 <u>b/</u>
Specialized agencies and IAEA	229 719 992	254 739 460	297 228 275	350 142 061	400 328 742	500 422 867	552 992 212	647 244 033	718 456 951	796 894 843
GRAND TOTAL	402 047 792	438 479 660	502 198 675	614 691 061	664 877 742	837 267 317	889 836 662	1 108 254 383	1 179 467 301	1 313 366 593

a/ Figures representing biennial budgets have been divided into two equal annual figures. Budgets expressed in Swiss francs have been converted to dollars at the United Nations operational rate of exchange at the end of each year, except for the 1979 and 1980 figures, which have been converted at the December 1978 rate. The rates used are as follows (Swiss francs to the dollar): 1971 - 3.95; 1972 - 3.80; 1973 - 3.20; 1974 - 2.74; 1975 - 2.66; 1976 - 2.44; 1977 - 2.17; 1978-1980 - 1.73.

b/ Proposed or preliminary figure.

c/ Excluding reappropriation of 1978 surplus (\$481,568).

.../

Table A.2

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

(United States dollars) a/

Organization	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
United Nations	156 824 287	177 112 261	187 898 126	222 919 784	280 149 489	320 320 848	338 035 102	402 958 699	476 329 958	496 474 735 b/
ILO	31 240 337	34 870 448	34 878 804	45 701 031	45 145 679	81 168 339	79 738 612	65 311 658	90 496 965	101 889 577
FAO	31 940 000	39 810 000	39 810 000	53 650 000	53 560 000	81 590 000	81 590 000	103 756 000	103 756 000	132 030 000 b/
UNESCO	40 650 000	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
WHO	70 961 376	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
ICAO	8 166 148	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
UPU	1 860 401	1 952 436	2 658 075	3 601 467	4 135 782	5 082 361	5 816 682	7 465 682	10 046 358	9 316 994 b/
ITU	6 674 262	7 366 257	9 963 958	15 407 394	16 762 245	19 207 989	25 324 424	32 492 890	31 161 618	31 508 439
WMO	3 244 880	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
IMCO	1 581 106	1 959 900	2 055 156	2 894 000	3 173 563	5 199 800	5 929 600	5 883 400	6 530 900	8 102 450 b/
WIPO	1 209 114	1 475 789	1 930 625	2 555 474	3 138 346	4 207 377	5 963 133	8 951 445	9 279 191	9 567 630 b/
IAEA	13 346 659	15 397 934	18 258 757	23 474 491	26 681 910	34 255 684	37 006 567	47 263 000	61 522 000	75 920 000 b/
Specialized agencies and IAEA	210 874 283	235 500 910	269 305 156	330 100 308	363 899 455	472 942 765	517 431 598	568 359 621	671 037 482	761 035 090
GRAND TOTAL	367 698 570	412 613 171	457 203 282	553 020 092	644 048 944	793 263 613	855 466 700	971 318 320	1 147 367 440	1 257 509 825

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.

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

Organization	1978	1979	1980	Increase (decrease) 1978-1980		Increase (decrease) 1979-1980	
				Number	Per- centage	Number	Per- centage
ILO	1 360	1 253	1 253 <u>a/</u>	(107)	(7.9)	-	-
FAO	2 433	2 433 <u>b/</u>	2 467 <u>b/</u>	34	1.4	34	1.4
UNESCO	2 224	2 301	2 310	86	3.9	9	0.4
ICAO	705	705	705	-	-	-	-
UPU	117	117	117	-	-	-	-
WHO	2 297	2 297	2 185	(112)	(4.9)	(112)	(4.9)
ITU	513	512	514	1	0.2	2	0.4
WMO	235	238	244	9	3.8	6	2.5
IMCO	201 <u>c/</u>	210 <u>c/</u>	212 <u>d/</u>	11	5.5	2	1
WIPO	194	205 <u>e/</u>	229	35	18.0	24	11.7
IFAD	102	136 <u>e/</u>	n.a.	n.a.	n.a.	n.a.	n.a.
IAEA	1 374	1 455	1 428	54	3.9	(27)	(1.9)
Subtotal (specialized agencies and IAEA)	11 755	11 862	11 664 <u>f/</u>	11 <u>f/</u>	0.1 <u>f/</u>	(62) <u>f/</u>	(0.5) <u>f/</u>
United Nations	10 864	10 864	11 109	245	2.3	245	2.3
GRAND TOTAL	22 619	22 726	22 773 <u>f/</u>	256 <u>f/</u>	1.1 <u>f/</u>	183 <u>f/</u>	0.8

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/ Excludes 1,021 posts reimbursed as overhead costs by UNDP, World Food Programme and Trust Funds, and 443 posts covered by joint financing with other United Nations agencies and funds in trust.

c/ Excludes 31 headquarters posts paid from the technical co-operation budget (10 Professional and 21 General Service posts).

d/ Excludes 33 headquarters posts paid from the technical co-operation budget (9 Professional and 24 General Service posts). See sect. III, para. 130 below.

e/ Revised figure for 1979.

f/ Excluding IFAD.

Table C. Regular budget contributions to technical co-operation activities
(In thousands of United States dollars)

Organization	1978			1979			1980		
	Regular programme	Excess of overheads over reimbursement	Total	Regular programme	Excess of overheads over reimbursement	Total	Regular programme	Excess of overheads over reimbursement	Total
ILO	8 100	7 207	15 307	8 276	6 118 <u>a/</u>	14 394 <u>a/</u>	8 637	6 118 <u>a/</u>	14 755 <u>a/</u>
FAO	4 160	3 267	7 427	21 440 <u>b/</u>	4 000	25 440	14 000	5 000	19 000
UNESCO	6 249	2 525	8 774	3 715	2 460	6 175	3 715	2 460	6 175
ICAO	-	-	-	-	-	-	-	-	-
UPU	257	403	660	488	695	1 183	488	765	1 253
WHO	110 000	14 000	124 000	116 500	14 500	131 000	132 000	19 000	151 000
ITU	1 228	-	1 228	1 231	-	1 231	1 280	-	1 280
WMO	903	-	903	903	-	903	1 848	-	1 848
IMCO	-	243	243	-	333	333	-	359	359
WIPO <u>c/</u>	2 231	-	2 231	2 392	-	2 392	2 324	-	2 324
IAEA	-	480	480	-	500	500	-	600	600
Subtotal (specialized agencies and IAEA)	133 128	28 125	161 253	154 945	28 606	183 551	164 292	34 302	198 594
United Nations	11 832	15 300	27 132	11 832	16 050	27 882	13 624	17 200	30 824
GRAND TOTAL	144 960	43 425	188 385	166 777	44 656	211 433	177 916	51 502	229 418

a/ As estimated on basis of reimbursement at standard rate of 14 per cent, exclusive of any additional amount which may be made available to the ILO by funding bodies to take account of exceptionally high costs prevailing at its headquarters location.

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

c/ All recalculated at 1.73 SF/\$ (official United Nations rate at 31.12.1978)

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

Organization	1980 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	94 418 <u>a/</u>	188 835 <u>a/</u>	0 <u>b/</u>	-	-
FAO	132 782	309 660	6 513 <u>c/</u>	4.9	2.1
UNESCO	151 500	303 000 <u>d/</u>	16 800 <u>e/</u>	11.1	5.5
ICAO	25 436	72 634	1 500	5.90	2.07
UPU <u>f/</u>					
WHO	238 689 200	477 378 400	11 126 630	4.66	2.33
ITU <u>f/</u>					
WMO	20 068 <u>g/</u>	87 158 <u>h/</u>	2 500	12.46	2.87
IMCO	8 334	20 636	250	3.0	1.2
WIPO	17 143	-	1 092 <u>i/</u>	6.4	-
IAEA	75 656	-	2 000	2.6	-
United Nations	607 102	1 214 203	40 000	6.6	3.3

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 (nil) reflects the expectation that the 1978-79 budget deficit will be of such magnitude as to exhaust the Fund by 31 December 1979. The uncovered balance of the deficit, estimated on 30 June 1979 at \$7.5 million on the basis of an assumed average exchange rate of 1.66 Swiss francs to the United States dollar for the remainder of 1979, will be met by making temporary use of other funds in the custody of the Director-General and by recourse to bank borrowing.

c/ Assessed level.

d/ UNESCO document 20 C/5 approved.

e/ Established by 20 C/5 resolution 20.1.

f/ UPU and ITU have no working capital funds.

g/ Net budget: \$17,495,000 plus staff assessment estimated at \$2,573,000.

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

i/ Working Capital Funds totalling 3,720,000 Swiss francs (\$2,150,000 at 1.73 Swiss francs to United States dollar) have been established for the Paris, Nice, The Hague and Berne Unions, by the Governing Bodies of WIPO in their September/October 1976 sessions. Member States will be called upon to contribute to the constitution of these funds, by equal installments, over a period of six years starting 1 January 1978; therefore, only three sixths of this amount is shown. The Working Capital Fund of the Lacarno Union (30,000 Swiss francs, or \$17,340), which has already been established and fully paid in previous years, is included in the amount shown.

Table E. Scales of assessment for 1980
(in percentage) a/

Members b/	United Nations	ILO a/	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	WIPO c/	IAEA
Afghanistan	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	0.01
Albania	0.01	-	0.01	0.01	-	0.09	0.01	0.12	0.09	-	-	0.01
Algeria	0.12	0.10	0.12	0.10	0.15	0.28	0.10	0.23	0.09	0.31	0.26	0.11
Angola	0.01	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.09	0.04	-	-
Argentina	0.78	0.83	1.04	0.83	0.84	1.87	0.83	0.70	1.27	0.51	1.76	0.90
Australia	1.83	1.53	1.91	1.52	1.78	2.34	1.51	4.22	1.70	0.40	2.69	1.65
Austria	0.71	0.63	0.79	0.63	0.51	0.47	0.63	0.23	0.51	0.04	1.58	0.68
Bahamas	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	0.09	0.05	0.14	-
Bahrain	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	-	0.03	-	-
Bangladesh	0.04	0.04	0.05	0.04	0.07	1.40	0.04	0.23	0.09	0.10	-	0.04
Barbados	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	-
Belgium	1.22	1.07	1.34	1.07	1.06	1.40	1.06	1.17	1.19	0.44	2.69	1.15
Benin	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.26	-
Bhutan	0.01	-	-	-	-	0.09	-	-	-	-	-	-
Bolivia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.26	-	-	0.01
Botswana	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	0.09	-	-	-
Brazil	1.27	1.03	1.29	1.03	1.17	2.34	1.02	1.17	1.27	0.92	2.73	1.11
Bulgaria	0.16	0.14	0.17	0.14	0.12	0.28	0.14	0.23	0.34	0.29	0.41	0.15
Burma	0.01	0.01	0.01	0.01	0.06	0.28	0.01	0.12	0.26	0.05	-	0.01
Burundi	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.07	-
Byelorussian Soviet Socialist Republic . .	0.39	0.41	-	0.40	-	0.28	0.40	0.23	0.51	-	0.03	0.44
Canada	3.28	3.02	3.76	3.01	3.12	4.68	2.99	4.22	2.55	0.77	2.74	3.25
Cape Verde	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	-
Central African Republic	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.24	-
Chad	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.14	-
Chile	0.07	0.09	0.11	0.09	0.14	0.47	0.09	0.23	0.43	0.14	0.18	0.10
China	1.62	5.46	6.80	5.45	4.31	4.68	5.41	4.69	3.68	1.30	-	-
Colombia	0.11	0.11	0.14	0.11	0.21	0.28	0.11	0.70	0.34	0.10	-	0.12
Comoros	0.01	0.01	0.01	0.01	-	0.09	0.01	0.12	0.09	-	-	-
Congo	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	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	0.14	0.11	0.13	0.28	0.11	0.23	0.26	0.22	0.23	0.12
Cyprus	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.66	0.41	0.01
Czechoslovakia	0.83	0.83	1.04	0.83	0.68	0.94	0.83	0.70	0.92	0.07	1.84	0.90
Democratic Kampuchea . .	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	0.01
Democratic People's Republic of Korea . . .	-	-	0.06	0.05	0.06	0.94	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	0.09	-	-	-
Denmark	0.74	0.63	0.79	0.63	0.59	0.94	0.63	1.17	0.68	1.36	1.96	0.68
Djibouti	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	0.09	-	-	-
Dominican Republic . . .	0.03	0.02	0.02	0.02	0.06	0.28	0.02	0.12	0.09	0.04	0.23	0.02
Ecuador	0.02	0.02	0.02	0.02	0.06	0.28	0.02	0.23	0.09	0.08	-	0.02

Table E (continued)

Members <u>b/</u>	United Nations	ILO <u>a/</u>	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	WIPO <u>c/</u>	IAEA
Egypt	0.07	0.08	0.10	0.08	0.15	1.40	0.08	0.47	0.51	0.14	0.38	0.09
El Salvador	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	0.01
Equatorial Guinea	0.01	-	-	-	0.06	0.28	-	0.12	-	0.03	-	-
Ethiopia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.09	0.04	-	0.01
Fiji	0.01	0.01	0.01	-	0.06	0.09	0.01	0.12	-	-	0.06	-
Finland	0.48	0.44	0.55	0.43	0.38	0.94	0.43	0.70	0.51	0.60	1.84	0.47
France	6.26	5.78	7.20	5.77	5.31	4.68	5.73	7.03	4.43	2.99	5.54	6.22
French Overseas Territories	-	-	-	-	-	-	-	-	0.18 <u>a/</u>	-	-	-
Gabon	0.02	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.05	0.14	0.01
Gambia	0.01	-	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	-
German Democratic Republic	1.39	1.32	-	1.32	-	1.40	1.31	0.70	1.27	0.40	2.46	1.42
Germany, Federal Republic of	8.31	7.65	9.52	7.63	6.58	4.68	7.58	5.86	4.52	2.40	6.16	8.23
Ghana	0.03	0.02	0.02	0.02	0.06	0.28	0.02	0.23	0.17	0.08	0.08	0.02
Greece	0.35	0.35	0.43	0.35	0.48	0.28	0.34	0.23	0.26	8.19	0.57	0.37
Grenada	0.01	-	0.01	0.01	-	0.09	0.01	-	-	-	-	-
Guatemala	0.02	0.02	0.02	0.02	0.06	0.28	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	0.09	0.03	-	-
Guinea-Bissau	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	-
Guyana	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	-
Haiti	0.01	0.01	0.01	0.01	0.06	0.28	0.01	0.12	0.09	0.03	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	0.09	0.06	-	-
Hong Kong	-	-	-	-	-	-	-	-	0.09	0.12	-	-
Hungary	0.33	0.33	0.41	0.33	0.31	0.94	0.32	0.23	0.51	0.05	0.63	0.35
Iceland	0.03	0.02	0.02	0.02	0.08	0.09	0.02	0.12	0.09	0.07	0.41	0.02
India	0.60	0.67	0.84	0.67	0.87	2.34	0.67	3.05	2.21	1.42	0.59	0.73
Indonesia	0.16	0.14	0.17	0.14	0.22	0.94	0.14	0.23	0.68	0.34	0.78	0.15
Iran	0.65	0.40	0.50	0.40	0.35	0.47	0.39	0.23	0.26	0.32	0.78	0.43
Iraq	0.12	0.08	0.10	0.08	0.11	0.28	0.08	0.12	0.09	0.34	0.23	0.09
Ireland	0.16	0.15	0.19	0.15	0.20	0.94	0.15	0.47	0.26	0.08	1.84	0.16
Israel	0.25	0.23	0.29	0.23	0.36	0.28	0.23	0.23	0.26	0.13	0.54	0.25
Italy	3.45	3.36	4.18	3.35	2.95	2.34	3.32	2.34	2.21	2.82	2.26	3.61
Ivory Coast	0.03	0.02	0.02	0.02	0.06	0.09	0.02	0.23	0.09	0.07	0.26	0.02
Jamaica	0.02	0.02	0.02	0.02	0.09	0.09	0.02	0.12	0.09	0.03	0.03	0.02
Japan	9.58	8.58	10.68	8.56	7.52	4.68	8.50	4.69	2.22	9.48	5.99	9.23
Jordan	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	0.08	0.01
Kenya	0.01	0.01	0.01	0.01	0.06	0.28	0.01	0.12	0.09	0.03	0.23	0.01
Kuwait	0.20	0.15	0.19	0.15	0.17	0.47	0.15	0.23	0.09	0.57	-	0.16
Lao People's Democratic Republic	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	-
Lebanon	0.03	0.03	0.04	0.03	0.35	0.09	0.03	0.23	0.09	0.10	0.44	0.03
Lesotho	0.01	-	0.01	0.01	0.06	0.09	0.01	0.12	-	-	-	-
Liberia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.09	19.31	-	0.01
Libyan Arab Jamahiriya	0.23	0.16	0.20	0.16	0.15	0.47	0.16	0.12	0.09	0.24	0.41	0.17

/...

Table E (continued)

Members <u>b/</u>	United Nations	ILO <u>a/</u>	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	WIPO <u>c/</u>	IAEA
Liechtenstein	-	-	-	-	-	0.09	-	0.12	-	-	0.15	0.01
Luxembourg	0.05	0.04	0.05	0.04	0.06	0.28	0.04	0.12	0.09	-	0.22	0.04
Madagascar	0.01	0.01	0.01	0.01	0.06	0.28	0.01	0.23	0.09	0.04	0.26	0.01
Malawi	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.08	-
Malaysia	0.09	0.09	0.11	0.09	0.14	0.28	0.09	0.70	0.34	0.16	-	0.10
Maldives	0.01	-	0.01	-	0.06	0.09	0.01	0.12	-	0.05	-	-
Mali	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.06	0.01
Malta	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.06	0.14	-
Mauritania	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	0.14	-
Mauritius	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.04	0.08	0.01
Mexico	0.76	0.78	0.98	0.78	0.91	1.40	0.78	0.70	0.85	0.21	1.37	0.84
Monaco	-	-	-	0.01	-	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	0.09	-	-	0.01
Morocco	0.05	0.05	0.06	0.05	0.10	0.47	0.05	0.23	0.17	0.11	0.44	0.05
Mozambique	0.01	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.17	-	-	-
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	0.28	0.01	0.12	0.09	-	-	-
Netherlands	1.63	1.41	1.76	1.41	1.77	1.40	1.40	2.34	1.03	1.28	3.11	1.52
Netherlands Antilles . .	-	-	-	-	-	0.09	-	-	0.09	-	-	-
New Zealand	0.27	0.26	0.32	0.25	0.39	2.34	0.25	0.70	0.51	0.08	0.68	0.28
Nicaragua	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.09	-	-	0.01
Niger	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.14	0.01
Nigeria	0.16	0.13	0.16	0.13	0.15	0.47	0.13	0.47	0.26	0.11	0.23	0.14
Norway	0.50	0.45	0.56	0.44	0.46	0.94	0.44	1.17	0.60	6.31	1.84	0.48
Oman	0.01	-	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	-
Pakistan	0.07	0.07	0.09	0.07	0.23	1.40	0.07	0.47	0.26	0.14	0.18	0.07
Panama	0.02	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.09	5.02	-	0.02
Papua New Guinea	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	-
Paraguay	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	0.01
Peru	0.06	0.06	0.08	0.06	0.11	0.28	0.06	0.12	0.34	0.17	-	0.06
Philippines	0.10	0.10	0.12	0.10	0.24	0.09	0.10	0.23	0.51	0.33	0.41	0.11
Poland	1.24	1.38	1.72	1.38	1.16	0.94	1.37	0.70	1.19	0.87	1.60	1.48
Portugal	0.19	0.19	0.24	0.19	0.32	0.94	0.19	0.12	0.26	0.33	1.17	0.20
Portuguese Provinces in Asia and Oceania . .	-	-	-	-	-	0.93	-	-	-	-	-	-
Qatar	0.03	0.02	0.02	0.02	0.06	0.28	0.02	0.12	0.09	0.05	0.10	0.02
Republic of Korea	-	-	0.16	0.13	0.38	0.94	0.13	0.23	0.17	0.75	-	0.14
Romania	0.21	0.24	0.30	0.24	0.26	0.94	0.23	0.23	0.43	0.37	1.12	0.26
Rwanda	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	-	-
Samoa	0.01	-	-	-	-	-	0.01	-	-	-	-	-
San Marino	-	-	-	0.01	-	0.09	-	0.12	-	-	0.23	-
Sao Tome and Principe . .	0.01	-	0.01	-	0.06	0.09	0.01	0.12	0.09	-	-	-
Saudi Arabia	0.58	0.23	0.29	0.23	0.24	0.47	0.23	0.23	0.09	0.33	-	0.25
Senegal	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.09	0.04	0.26	0.01

/...

Table E (continued)

Members b/	United Nations	ILO a/	FAO	UNESCO	ICAO	UPU	WHO	ITU	WMO	IMCO	WIPO c/	IAEA
Seychelles	0.01	0.01	0.01	0.01	0.06	0.09	-	-	0.09	0.04	-	-
Sierra Leone	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	-	0.01
Singapore	0.08	0.08	-	0.08	0.28	0.09	0.08	0.23	0.09	1.83	-	0.09
Solomon Islands	0.01	-	-	-	-	-	-	-	-	-	-	-
Somalia	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.05	-	-
South Africa	0.42	-	-	-	0.61	2.34	0.41	1.88	0.85	-	1.37	0.45
Southern Rhodesia	-	-	-	-	-	-	0.01	-	0.17	-	0.23	-
Spain	1.70	1.52	1.89	1.51	1.52	2.34	1.51	0.70	0.92	1.97	2.43	1.63
Sri Lanka	0.02	0.02	0.02	0.02	0.06	0.47	0.02	0.12	0.26	0.05	0.33	0.02
Sudan	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.23	0.17	0.04	0.03	0.01
Suriname	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.03	0.16	-
Swaziland	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	-	-	-	-
Sweden	1.31	1.23	1.53	1.23	1.06	1.40	1.22	2.34	1.36	1.50	3.11	1.32
Switzerland	-	0.95	1.19	0.95	1.18	1.40	0.94	2.34	1.10	0.09	3.23	1.03
Syrian Arab Republic	0.03	0.02	0.02	0.02	0.06	0.09	0.02	0.12	0.17	0.04	0.23	0.02
Thailand	0.10	0.10	0.12	0.10	0.30	0.28	0.10	0.35	0.34	0.11	0.18	0.11
Togo	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.14	-
Tonga	-	-	-	-	-	0.09	0.01	0.12	-	-	-	-
Trinidad and Tobago	0.03	0.03	0.04	0.03	0.07	0.09	0.03	0.23	0.09	0.03	0.23	-
Tunisia	0.03	0.02	0.02	0.02	0.07	0.47	0.02	0.47	0.09	0.06	0.44	0.02
Turkey	0.30	0.30	0.37	0.30	0.31	0.94	0.29	0.47	0.51	0.36	0.41	0.32
Uganda	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.08	0.01
Ukrainian Soviet Socialist Republic	1.46	1.52	-	1.51	-	0.94	1.51	0.70	1.62	-	0.03	1.63
Union of Soviet Socialist Republics	11.10	11.53	-	11.49	10.99	2.34	11.42	7.03	10.42	5.50	4.35	12.39
United Arab Emirates	0.10	0.07	0.09	0.07	0.07	0.09	0.07	0.23	-	-	0.10	0.07
United Kingdom of Great Britain and Northern Ireland	4.46	4.49	5.59	4.48	4.66	4.68	4.45	7.03	5.89	7.49	5.62	4.83
United Kingdom Overseas Territories	-	-	-	-	-	0.47	-	-	0.09 e/	-	-	-
United Republic of Cameroon	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.05	0.26	0.01
United Republic of Tanzania	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	0.04	0.23	0.01
United States of America	25.00	-	25.00	25.00	25.00	4.68	25.00	7.03	23.43	4.04	5.67	25.00
United States Overseas Territories	-	-	-	-	-	1.39	-	-	-	-	-	-
Upper Volta	0.01	0.01	0.01	0.01	0.06	0.09	0.01	0.12	0.09	-	0.14	-
Uruguay	0.04	0.04	0.05	0.04	0.06	0.28	0.04	0.12	0.34	0.07	0.41	0.04
Venezuela	0.50	0.39	0.48	0.39	0.46	0.28	0.38	0.70	0.51	0.23	-	0.42
Viet Nam	0.03	0.03	-	0.03	0.06	0.28	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	0.09	-	-	-
Yugoslavia	0.42	0.39	0.48	0.39	0.41	0.47	0.38	0.23	0.51	0.60	1.50	0.42
Zaire	0.02	0.02	0.02	0.02	0.08	0.28	0.02	0.23	0.34	0.06	0.41	0.02
Zambia	0.02	0.02	0.02	0.02	0.06	0.28	0.02	0.12	0.17	-	0.08	0.02

(Foot-notes on following page)

/...

(Foot-notes to table E)

a/ (i) For the ILO, the rates are expressed in terms of seventy-fifths of the assessed budget.

(ii) This report was compiled before the specialized agencies could consider the impact on their scales of assessment of the new United Nations scale approved by the General Assembly in resolution 34/6. The necessary adjustments will be reflected in the Advisory Committee's report to the General Assembly at its thirty-fifth session.

b/ 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.

c/ The percentages shown are those of contributions payable in 1979. No significant change is expected in 1980. They are based on the total of all ordinary (mandatory) contributions paid by Member States in respect of their assessment under the several Unions or Units administered by the International Bureau of WIPO. A Member State may be party to one or more of these Unions or Units and the scales of assessment vary for each Union or Unit.

d/ French Polynesia, New Caledonia.

e/ British Caribbean Territories.

Table F. Collection of contributions
 (In thousands of United States dollars)

Organization	Percentage of current year's contributions collected at				Total of all contributions outstanding at 30 September (regardless of year of account)	
	30 June		30 September		1978	1979
	1978	1979	1978	1979		
ILO <u>a/</u>	76.71	68.29	78.82	72.12	30 008	51 633
FAO	57.69	46.64	76.73	83.00	25 708	19 871
UNESCO	33.24	29.78	60.68	71.36	54 942	43 840
ICAO	60.91	49.26	80.11	75.99	4 023	5 185
UPU	52.39	44.06	60.78	57.20	4 078	3 413 <u>b/</u>
WHO	57.29	43.32	76.82	77.66	39 195	41 924
ITU	92.22	86.23	94.28	94.20	1 599	2 815
WMO	60.26	51.93	79.94	78.49	3 008	4 592
IMCO	59.27	58.03	76.39	68.40	1 750	2 301
WIPO	44.25	68.51	71.80	80.56	2 538	3 019 <u>c/</u>
IAEA	48.72	36.82	81.83	71.75	9 327	18 624
United Nations	56.92	43.00	72.25	69.00	141 993	189 602

a/ On the basis of contributions due under the scale of contributions for the year concerned, excluding for 1978 and 1979 the unassessed contribution of 25 per cent corresponding to the former contribution of the United States and, for 1979, the contribution of China for that year. The expected non-receipt of the latter contribution is offset by the inclusion of an Undistributed Reserve of the same amount in the 1978-1979 programme and budget.

b/ At \$US 1 = SwF 1.66.

c/ At \$US 1 = SwF 1.73.

III. COMMENTS ON THE BUDGETS OF THE AGENCIES

A. International Labour Organisation

	\$
Approved net expenditure budget for 1980-1981	203,779,154
Approved net expenditure budget for 1978-1979 (as revised)	207,655,425
Approved net expenditure budget for 1978-1979 (as revised and reduced)	163,061,165
Decrease in relation to revised budget for 1978-1979	1.87 per cent
Increase in relation to revised and reduced budget for 1978-1979	24.97 per cent

18. The Advisory Committee discussed the programme and budget of the International Labour Organisation with representatives of the Director-General of the Organisation.

1. Appropriation for 1978-1979

19. The original net expenditure budget for 1978-1979, approved by the Conference in June 1977, amounted to \$169,074,000. On the withdrawal of the United States of America in November 1977, which resulted in a loss of 25 per cent of assessed contributions, the Governing Body made programme cuts and reduced the spending authority of the Director-General under the 1978-1979 programme and budget by \$36.6 million, on the understanding that the difference of \$5.7 million between the amount of the United States contributions (\$42.3 million) and the amount of the reduction in spending authority would be made up by voluntary contributions. In June 1978, to avoid the need for an immediate complete revision of the scale of contributions following the withdrawal of the United States, the Conference approved the inclusion in the scale of contributions of an unassessed contribution of 25 per cent. At the same session, the Conference revised the original budget for 1978-1979 to include, an additional gross amount of \$30,588,870, designed, after allowing for non-receipt of the United States contribution, to yield a net amount of \$22.5 million. The additional amount was needed as the result of the adjustment of the United States dollar-Swiss franc budgetary exchange rate from 2.51 to 1.965 Swiss francs to \$US 1 for the biennium as a whole, and to provide an amount of \$6,585,766 under a new Part V of the programme and budget (Undistributed Reserve) to compensate for the non-receipt of the assessed contributions for 1979 of States Members not participating actively in the work of the Organisation. The approved budget thus revised amounted to \$207,655,425 and the revised and reduced programme and budget to \$163,061,165.

/...

20. At its sessions in 1978 and up to June 1979, the Governing Body authorized additional expenditures not to exceed \$970,000 to cover additional requirements arising after approval of the programme and budget by the Conference, including some \$368,000 to cover the cost of implementation in 1979 of recommendations of the International Civil Service Commission. The additional expenditure authority can only be exercised if the additional requirements cannot be met through savings or from the provision of \$275,000 in Part II of the Programme and Budget for Unforeseen Expenditure.

2. Appropriations for 1980-1981

21. As discussed with the Governing Body in November 1978, the Director-General took as a starting point for the preparation of his programme and budget proposals for 1980-1981 the level of 75 per cent of the revised programme and budget for 1978-1979 approved by the Conference in June 1978, corresponding to the amount of the contributions actually assessed for that biennium. To this end, since the 75 per cent level was a notional one, corresponding to no actual approved programme, each chief of department was asked to submit two sets of proposals for the programme for which he was responsible. The first set was to amount, in constant dollars, to between 90 and 100 per cent (depending on the nature of the programme concerned) of the level of that programme under the reduced programme and budget for 1978-1979, and the second set to between 100 and 120 per cent of the same level. The proposals were to be based on specific requests of the Government, employer and worker constituents of the Organisation and on principles of strictest administrative economy. Consideration of the resulting proposals revealed that a programme and budget at a level corresponding in constant dollars to 75 per cent of the approved programme and budget for 1978-1979 would not permit the satisfactory execution of the programmes given highest priority by the Organisation's constituents.

22. Under the circumstances, the Director-General put forward proposals representing an increase in programme activities of 7.7 per cent of the notional 75 per cent level and 2.2 per cent in relation to the reduced 1978-1979 programme level. After taking into account various financial provisions and increases due to inflation and changes in exchange rates, the cost of the proposals amounted to \$210,022,445, on the basis of an assumed exchange rate of 1.73 Swiss francs to one United States dollar.

23. The proposals, which made no major change in the existing balance of the programmes, were considered by the Governing Body through its Programme, Financial and Administrative Committee at its February-March 1979 session. After approving cuts and other modifications, the Governing Body decided to submit to the Conference a Draft Programme and Budget amounting to \$203,779,154, costed at 1.73 Swiss francs = \$US 1, subject to adjustment to a figure corresponding to the operational rate of exchange applied by the United Nations and specialized agencies for the month of June 1979. 3/

3/ The need to revise the exchange rate figure did not arise.

24. The Draft Programme and Budget as submitted by the Governing Body was adopted by the Conference on the recommendation of its Finance Committee of government representatives on 19 June 1979.

3. Summary analysis of the 1980-1981 budget

25. The presentation of the 1980-1981 programme and budget follows very closely the lines of the 1978-1979 programme and budget as revised by the Conference in June 1978 to include a Part IV (Effects of Exchange Rate Adjustments) and a Part V (Undistributed Reserve). The outlines of the programme and budget for 1980-1981 as compared with those of the approved and reduced programmes and budgets for 1978-1979 are as follows:

	<u>1980-1981 budget</u>			
	<u>1978-1979 revised budget</u>	<u>1978-1979 reduced programme</u>	<u>In constant 1978-1979 dollars a/</u>	<u>Recosted at estimated actual cost b/</u>
	\$	\$	\$	\$
<u>Part I. Ordinary budget</u>				
Policy-making organs (Items 10 to 30)	6 288 965	5 954 460	5 774 250	6 719 078
General management (Item 40)	4 960 036	3 756 634	3 773 216	4 275 880
Technical programmes (Items 50 to 150)	65 180 414	51 473 336	52 659 650	60 484 974
Service and support activities (Items 160-210)	67 854 314	51 563 300	49 317 911	57 682 698
Regional services and relations (Items 220-285)	40 551 912	33 843 165	33 566 866	38 897 978
Other budgetary provisions (Item 290)	9 482 335	3 574 517	9 509 689	10 313 054
Deductions:				
Adjustment for staff turnover	(644 910)	(586 606)	(839 608)	(873 802)
Estimated savings in item 70 and in computer operations	-	(500 000)	-	-
<u>TOTAL, Part I</u>	<u>193 673 066</u>	<u>149 078 806</u>	<u>153 761 974</u>	<u>177 500 660</u>
<u>Part II, Unforeseen expenditure</u>	275 000	275 000	275 000	275 000
<u>Part III, Working Capital Fund</u>	7 121 593	7 121 593	11 059 690	11 059 690
<u>Part IV, Effects of Exchange Rate Adjustments c/</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Effective Working Budget (Parts I to IV)	201 069 659	156 475 399	165 096 664	188 835 350
<u>Part V, Undistributed Reserve</u>	<u>6 585 766</u>	<u>6 585 766</u>	<u>13 065 204</u>	<u>14 943 804</u>
<u>TOTAL, gross expenditure budget (Parts I to V)</u>	<u>207 655 425</u>	<u>163 061 165</u>	<u>178 161 868</u>	<u>203 779 154</u>
<u>TOTAL, net expenditure budget (Parts I to V)</u>	<u>207 655 425</u>	<u>163 061 165</u>	<u>178 161 868</u>	<u>203 779 154</u>

a/ At 1978-1979 cost levels and exchange rate (1.965 Swiss francs to the United States dollar).

b/ At 1980-1981 cost levels and exchange rate of 1.73 Swiss francs to the United States dollar.

c/ The amount of \$30,588,870 included in Part IV of the 1978-1979 revised budget to cover the additional costs arising out of adjustment of the budgetary exchange rate from 2.51 Swiss francs to 1.965 Swiss francs to the United States dollar over the whole biennium has been distributed over the items concerned to facilitate comparisons.

26. An analysis of the increases and decreases reflected in the 1980-1981 programme and budget is provided in the table below:

	Approved 1978-1979 Programme and Budget	Reduced 1978-1979 Programme and Budget	75% approved 1978-1979 Programme and Budget <u>a/</u>	1980-1981 Draft Programme and Budget	Increase (Decrease) Col. 4 in relation to Col. 1	Increase (Decrease) Col. 4 in relation to Col. 2	Increase Col. 4 in relation to Col. 3
	1	2	3	4	5	6	7
	\$	\$	\$	\$			
1. Programmes of activity - Part I, excluding Major Programme 290 (in constant dollars) <u>b/</u>	184 190 731	145 504 289	138 143 048	144 252 285	(21.68%)	(0.86%)	4.42%
2. Financial Factors (in constant dollars)					/Details of the increases and decreases are given in paras. A.10 to A.12 below/		
Part I: Major Programme 290: Other Budgetary Provisions	9 482 335	3 574 517	7 111 751	9 509 689			
Part II: Unforeseen Expenditure	275 000	275 000	206 250	275 000			
Part III: Working Capital Fund	7 121 593	7 121 593	5 341 195	11 059 690			
Part IV: Provision for Effects of Exchange Rate Adjustments <u>c/</u>	-	-	-	-			
Part V: Undistributed Reserve	6 585 766	6 585 766	4 939 324	13 065 204			
Total Financial Factors	23 464 694	17 556 876	17 598 520	33 909 583	44.51%	93.14%	92.68%
Total Programme and Budget in constant dollars ²	207 655 425	163 061 165	155 741 568	178 161 868	(14.20%)	9.26%	14.40%
3. Additional costs arising out of inflation between 1978-1979 and 1980-1981	NA <u>d/</u>	NA	NA	10 049 721	NA	NA	NA
4. Additional costs arising out of difference between assumed US dollar- Swiss franc exchange rate for 1978-1979 (SF 1.965 = 1 US dollar) and assumed rate for 1980-1981 (SF 1.73 = 1 US dollar)	NA	NA	NA	15 567 565	NA	NA	NA
TOTAL PROGRAMME AND BUDGET (RECASTED) <u>e/</u>	207 655 425	163 061 165	155 741 568	203 779 154	(1.87%)	24.97%	30.84%

(foot-notes on following page)

Foot-notes to table

a/ Level corresponding to the level of assessed contributions in 1978-1979. The breakdown between Parts is based on a uniform distribution of the 25 per cent reduction and is notional only.

b/ I.e., as calculated on the basis of 1978-79 cost levels and assumed exchange rate of 1.965 Swiss francs to the United States dollar.

c/ In the 1978-1979 columns the amounts have been distributed over the items concerned to facilitate comparison for 1980-1981, for which, at this stage, no provision has been proposed.

d/ In this table "NA" stands for "Not applicable".

e/ I.e., recosted on the basis of assumed 1980-1981 levels and exchange rate of 1.73 Swiss francs to the United States dollar.

27. The increase under major programme 290 (Other budgetary provisions) by \$27,354 in relation to the approved 1978-1979 programme and budget is the net result of increases and decreases in the individual items making up the programme. The most important of these are an increase of \$1,240,000 in amounts required for the ILO Staff Pensions Fund and a reduction of \$248,000 resulting from revision of the terms of the new headquarters building loan and the use of an amount of \$1,016,000 in the Building and Accommodation Fund (derived from rental of space in the building to another organization) to finance part of the loan repayments due in 1980-1981. The additional increase of \$5,907,818 in relation to the reduced 1978-1979 programme and budget is explained by the deletion in the reduced programme and budget of the original provision for two building loan annuities, as a result of a rescheduling of the loan agreed upon by the Swiss authorities.

28. The provision for the Working Capital Fund under the approved and the reduced programmes and budgets for 1978-1979 is made up of \$765,854 for reimbursement of withdrawals made in 1974-1975 to cover the budgetary deficit in that biennium, \$1,355,739 for the reimbursement of withdrawals in 1976-1977 to meet expenditure under supplementary credits and \$5 million for advance reimbursement to the Fund in 1978 in respect of withdrawals expected to be necessary in that year to meet shortfalls of contributions, in particular the contribution of China. The advance reimbursement of \$5 million was an exceptional measure made necessary by the depleted state of the Fund at the beginning of the 1978-1979 biennium. The 1980-1981 credit for the Working Capital Fund provides for the reimbursement of the withdrawal made in 1976-1977 to cover the budgetary deficit in that biennium. Further provision will eventually have to be made for reimbursement to the Fund of withdrawals in 1978-1979 to cover additional costs resulting from the difference between the revised budgetary exchange rate of 1.965 Swiss francs to the United States dollar and whatever the actual average exchange rate turns out to be for the biennium; in accordance with the Financial Regulations, the reimbursement will be made through an additional assessment in 1981.

29. The amount of the Undistributed Reserve in the Draft Programme and Budget for 1980-1981 corresponds to the assessed contributions of China, Kampuchea and Viet Nam for 1980 and 1981 (as assumed on the basis of the draft scale of contributions for 1980). The 1978-1979 provision relates only to the assessed contribution of China for 1979, the corresponding shortfall in 1978 having been covered by the provision for advance reimbursement of \$5 million to the Working Capital Fund referred to in paragraph 28 above.

4. Staff resources

30. The staff resources of the ILO are expressed in man-years and man-months. The man-years provided under the regular budget are available to finance regular budget established posts ^{4/} occupied by permanent officials and for the contracts of fixed-term and short-term staff.

^{4/} The ILO has both regular budget and extrabudgetary established posts. Regular budget posts are established by the Conference and extrabudgetary posts by the Governing Body.

31. The number of established posts provided for in the 1980-1981 programme and budget is the same as under the reduced programme and budget for the 1978-1979 biennium. In accordance with a proposal of the Director-General approved by the Governing Body in November 1976, certain of the posts are frozen pending a revision of the established post system and are thus for the time being not available for permanent staff. The number of such frozen posts has been increased from 258 (158 in the Professional category and above and 100 in the General Service category) in 1978-1979 to 282 (176 in the Professional category and above and 106 in the General Service category) in 1980-1981. The Director-General expects to complete his review of the post system in the near future, once staffing levels have been stabilized within available resources and, to the extent possible, the preliminary results of the study by the International Civil Service Commission on continuing and non-continuing jobs in the United Nations system are available. He will then make proposals on the post system to the Governing Body. He will then make proposals on the post system to the Governing Body. These proposals may, depending on their nature, have to be approved by the Conference.

32. It should be noted that adjustment for staff turnover applied in the Director-General's original programme and budget proposals amounted to about 0.5 per cent of the total staff costs, which was the rate applied in 1978-1979. In the proposals as adopted by the Conference, the amount of the adjustment was increased to approximately 0.66 per cent. As pointed out by the Director-General, this would result in the postponement of the few recruitments of new officials which it might have been expected to undertake in 1980-1981.

33. The following table shows the total staff resources likely to be available to the ILO in 1980-1981 from the regular budget and other sources, as compared with those under the initial and reduced budgets for 1978-1979 (for the sake of simplicity, all posts are shown as occupied for two years, even though some of them are frozen).

Biennium	<u>Regular budget</u>						<u>Extrabudgetary man-years/months</u>		<u>Total man-years/months</u>	
	<u>Posts (man-years/months)</u>		<u>Additional man-years/months</u>		<u>Total man-years/months</u>					
	<u>P and above a/</u>	<u>GS</u>	<u>P and above</u>	<u>GS</u>	<u>P and above</u>	<u>GS</u>	<u>P and above</u>	<u>GS</u>	<u>P and above</u>	<u>GS</u>
Initial 1978-1979	657 (1 314)	699 (1 398)	120/09	439/10	1 434/09	1 837/10	147/07	212/02	1 582/04	2 050/00
Revised 1978-1979	612 (1 224)	637 (1 274)	-52/11	221/04	1 171/01	1 495/04	158/04	189/06	1 329/05	1 684/10
1980-1981	612 (1 224)	637 (1 274)	-55/05	195/06	1 168/07	1 469/06	166/00	258/05	1 334/07	1 727/11

a/ Excluding four reserve posts for officials seconded to other organizations.

34. The schedule of established posts for 1980-1981 included in the programme and budget approved by the Conference provides for the reclassification of one D-1 post to D-2 and one P-5 post to D-1 in the Social Security Department, as recommended to the Conference by the Governing Body. The schedule also incorporates changes in the classifications of posts below grade D-1, which the Director-General is empowered to undertake on his own authority on the basis of internal reviews of the duties and responsibilities attaching to such posts, on the understanding that he reports every second year in his programme and budget proposals on all regradings approved by him during the preceding financial period. The distribution of regular budget established posts by grade is as follows:

	<u>Initial</u> <u>1978-1979</u>	<u>Revised</u> <u>1978-1979</u>	<u>1980-1981</u>
Director-General	1	1	1
Deputy Director-General	3	2	2
Assistant Director-General	7	7	7
Legal Adviser	1	1	1
Director:			
D.2	15	15	16
D.1	47	45	45
Special post D.1	2	2	2
Professional:			
P.5	101	96	101
P.4	169	159	170
P.3	182	167	158
P.3/2	1	1	-
P.2	40	37	40
Special post P.2	19	17	9
P.1	44	43	40
Other posts	29 <u>a/</u>	23 <u>b/</u>	24 <u>c/</u>
Subtotal	661	616	616
General Service	699	637	637
TOTAL	1 360	1 253	1 253

a/ Includes 25 posts in external offices and 4 reserve posts for officials seconded to other organizations.

b/ Includes 19 posts in external offices and 4 reserve posts for officials seconded to other organizations.

c/ Includes 20 posts in external offices and 4 reserve posts for officials seconded to other organizations.

/...

35. According to the ILO, the apparent "grade creep" between 1978-1979 and 1980-1981 is almost entirely the result of the lack of recruitment, due to financial stringency, since new officials normally enter the service at the lower grades.

5. Technical co-operation

36. The credits provided for regular budget technical co-operation in the initial programme and budget for 1978-1979 amounted to \$11.3 million, but were reduced following the withdrawal of the United States to \$9.1 million. For 1980-1981 the credit approved by the Conference is \$9.65 million, or slightly less than the amount of \$10 million originally proposed by the Director-General. The reason for the slight increase proposed in relation to the reduced 1978-1979 budget was that the credits available in 1978-1979 had proved insufficient to meet certain urgent needs. While it continues to be the policy of the ILO that the bulk of the operational activities in and for developing countries should be financed by voluntary extrabudgetary funds, the organization cannot rely exclusively on such funding. Moreover, it needs to have available a certain amount under the regular budget to prepare or start work on projects which could subsequently be taken over by extrabudgetary funds. In this connexion, the Advisory Committee was informed that the number of ILO experts working on projects financed from UNDP and other extrabudgetary sources, which reached a peak of 912 in December 1975, and had fallen to 594 in September 1977, was still only 680 by May 1979.

37. The Advisory Committee notes that the main feature of the measures to be taken for decentralization of the ILO structure is a further decentralization of responsibility for the management of technical co-operation in the fields of employment promotion, vocational training, management development - which account for the bulk of ILO technical co-operation - and any other subject areas with which the field structure will be equipped to cope. According to ILO this will relieve technical departments at headquarters of work of a routine technical nature and enable them to concentrate on essential substantive technical tasks. As a result of the fuller delegation of authority and responsibility to the field of the management of technical co-operation activities, much closer auditing and evaluation of activities will be carried out by headquarters.

6. Accommodation

38. The position is the same as reported to the General Assembly by the Advisory Committee in 1978 (A/33/309, para. 45). About 15 per cent of the premises in the ILO headquarters building will continue to be rented to the International Trade Centre until the Centre's own building is ready for occupation at the end of 1980 or the beginning of 1981.

7. Reductions in administrative costs

39. The proportion of the total programme and budget allocated to the administrative programmes has fallen from 32.7 per cent under the full revised programme and budget for 1978-1979 and 31.6 per cent under the reduced programme and budget, to 28.3 per cent in 1980-1981. If extrabudgetary resources for

technical co-operation are included, then the share of the resources for administrative programmes in 1980-1981 is 19.4 per cent (assuming extrabudgetary resources of some \$154,400,000).

40. The Committee was told of a number of recent economy measures taken by the ILO, which would bring substantial savings in 1980-1981. A new call for tenders on the basis of standards of cleaning revised to provide lower frequency of some operations will save over \$200,000 in the biennium. Other savings will result from competitive bidding for insurance policies and typewriter maintenance contracts and from the elimination of maintenance contracts for some computer terminals; rental income from the bank on the ILO premises will increase by 30 per cent. The total benefit from these measures will be some \$150,000 in 1980-1981. Additional savings of over \$100,000 net will result from the purchase and storage of heating oil at a time when prices were approximately half their present level.

41. Further administrative savings were made in the service and support programmes of the regular budget through changes in methods, reorganizations, enhanced streamlining and a planned increase in the subcontracting of work to external collaborators. The average reduction for these administrative programmes in relation to the 1978-1979 reduced programme (leaving out of account increases due to inflation and exchange rate changes) is 4.35 per cent. At the same time, the resources for technical programmes have been increased by 2.30 per cent.

8. Scale of assessments

42. For 1980, on the recommendation of its Allocations Committee the Governing Body decided to recommend to the Conference that it maintain the assessment rates of States Members provided for in the ILO 1979 scale (which was based on the latest United Nations scale available, that for 1978-1979, as adjusted to include a 25 per cent unassessed contribution in place of the 25 per cent contribution of the United States, and minor modifications to take into account the other differences in membership of the two organizations), subject to such adjustments as might be necessary for the assessment of new Member States, but provide that these rates represent seventy-fifths rather than hundredths of the total assessed budget for the year. On the recommendation of the Conference Finance Committee of Government Representatives, the draft scale for 1980 put forward by the Governing Body was approved by the Conference in June 1979 (see table E). Proposals concerning the scale for 1981 will be submitted by the Governing Body to the Conference at its sixty-sixth (June 1980) session.

B. Food and Agriculture Organization of the United Nations

	\$
Proposed total effective working budget 1980-1981	271,660,000
Approved total effective working budget 1978-1979	<u>211,350,000</u>
Increase	60,310,000
	28.5 per cent

43. The Advisory Committee discussed the proposed budget of FAO for 1980-1981 and related matters with representatives of the Director-General.

44. At its twentieth session, in November 1979, the FAO Conference will consider a proposed budget for 1980-1981 amounting to \$271,660,000 net of staff assessment (equivalent to \$309,660,000 gross). For ease of comparison with the approved budget for 1978-1979 the proposals for 1980-1981 have been calculated at the rate of lire 879 = \$US 1 decided upon by the Conference at its nineteenth session in November 1977.

45. The increases over the approved budget for 1978-1979 may be summarized as follows:

	\$'000
(a) 1978-1979 approved budget	211,350
(b) <u>Less</u> appropriation for 1979 World Conference on Agrarian Reform and Rural Development	<u>1,200</u>
	210,150
(c) Cost increases	<u>46,510</u>
	256,660
(d) Programme increases	13,600
(e) Cost increases on (d)	<u>1,400</u>
	<u>271,660</u>

46. The following table provides a comparison by appropriation line, between the proposed budget for 1980-1981 and the approved budget for 1978-1979:

Appropriation line	1980-81 Proposed Budget \$'000	1979-79 Budget \$'000	1980-81 Increase(decrease) over 1978-79	
			\$'000	%
<u>Chapter</u>				
1. General Policy and Direction	21,393	17,355	4,038	23.3
2. Technical and Economic Programmes	121,570	95,500	26,070	27.3
3. Development Support Programmes	39,354	28,560	10,794	37.8
4. Technical Co-operation Programme	32,638	25,600	7,038	27.5
5. Support Services	43,498	33,075	10,423	31.5
6. Common Services	12,607	10,860	1,747	16.1
7. Contingencies	600	400	200	50.0
Total effective working budget	271,660	211,350	60,310	28.5

47. The Advisory Committee has been informed that the main programme increases are being proposed for the following areas:

	\$'000
(i) Establishment of 15 additional FAO Representatives offices (bringing the total up to 62 by end of 1981)	2,400
(ii) Technical co-operation programme	1,665
(iii) Rural development	1,410
(iv) Nutrition	480
(v) Fisheries	1,004
(vi) Crops (particularly, improved rice production, desert locust control, prevention of post-harvest food losses)	1,034
(vii) Livestock (particularly control of Trypanosomiasis, tick-borne diseases and African swine fever)	763

/...

(viii)	Forestry (with emphasis on agri-silviculture, fuel-wood, forestry in community development)	500
(ix)	Natural resources (with emphasis on water development and management, remote sensing applications, improved monitoring of environmental hazards, fertilizers)	637
(x)	Food and agriculture policy	<u>610</u>
		10,503

The net additional balance of the proposed programme changes amounting to \$3,097,000 relate to other activities, including investment, external training and medical services, improved accommodation for Council delegates, and moving expenses.

48. The Advisory Committee understands that the priority areas will also benefit from a redeployment of resources. In this connexion the Advisory Committee was informed that zero-base budgeting techniques were used in the preparation of the programme and budget proposals for 1980-1981. Programme managers were, inter alia, instructed to indicate ways in which at least a 5 per cent reduction could be achieved, and the final determination was made with the personal involvement of the Director-General.

49. The Director-General estimates cost increases at \$47,910,000. The Advisory Committee notes that this amount covers not only the estimated requirements for inflation arising during 1980-1981 but also the impact in 1980-1981 of inflationary increases in 1978-1979 (whereas in the United Nations budget presentation the latter factor is taken into account in the revaluation of the resource base). The Advisory Committee understands that of the total estimate of \$47,910,000 for cost increases, \$29 million is for cost increases expected in 1980-1981, and \$18,910,000 is for the impact of cost increases which took place in 1978-1979.

50. As was stated in paragraph 44 above the proposed budget has been calculated using a rate of lire 879 = \$US 1. The actual rate to be applied will be determined by FAO Conference in November 1979. The Advisory Committee understands that a difference of 10 lire in the exchange rate is roughly equivalent to a budgetary difference of \$1.2 million.

51. In its report to the General Assembly last year on administrative and budgetary co-ordination of the United Nations with the specialized agencies and the IAEA the Advisory Committee reported the establishment by FAO as of 31 December 1977 of a Special Reserve Account the purpose of which was to protect the programme against the effects of unbudgeted adverse currency and inflationary changes (A/33/309, paras. 51-52).

52. The Advisory Committee understands that out of the \$5 million transferred to the Special Reserve Account from 1976-1977 currency savings, approximately \$1.9 million was expended by 1 August 1979 to meet extra dollar costs attributable to the fact that the average actual rate of exchange in the current biennium

had been below the budgetary rate of 879 lire. The Advisory Committee was informed that the total impact of the weaker dollar amounted to \$3.6 million, and that other unbudgeted inflationary costs could be financed from savings due to factors such as delays in opening offices of FAO Representatives, vacancies, and difficulties in locating and recruiting properly qualified consultants.

53. For 1980-1981 the Director-General proposes a staffing table of 2,467 posts, 34 more than in 1978-1979. The distribution by grade in 1980-1981 and 1978-1979 is given in the following table:

	<u>1980-1981</u>	<u>1978-1979</u>
Director-General	1	1
Deputy Director-General	1	1
Assistant Directors-General	11	11
Directors		
D-2	27	25
D-1	74	74
Professionals		
P-5	224	206
P-4	353	352
P-3	162	168
P-2	87	88
P-1	<u>15</u>	<u>21</u>
Subtotal	955 <u>a/</u>	947 <u>a/</u>
General Service	<u>1,512</u>	<u>1,486</u>
TOTAL	<u>2,467</u>	<u>2,433</u>

a/ Not including posts of the FAO/World Bank Co-operative Programme and Joint FAO/WHO Food Standards Programme and FAO Representatives in view of the various cost-sharing agreements.

54. The location of the proposed new posts is as follows:

	<u>Professional</u>	<u>General Service</u>	<u>Total</u>
Headquarters	4	18	22
Regional Offices	2	11	13
Liaison Offices	<u>(1)</u>	<u> </u>	<u>(1)</u>
	<u>5</u>	<u>29</u>	<u>34</u>

55. The Advisory Committee notes that annex II to the Director-General's Programme of Work and Budget for 1980-1981 (FAO document C 79/3) provides detailed information by organizational unit on all proposed changes in regular budget posts (new posts, posts transferred to or from other units, abolished posts). Summary tables showing total net changes by grade and organizational units are included in the explanatory notes at the beginning of the document. However, the summary tables are not directly comparable with the detailed material in the annex because they also include upgradings proposed for 1980-1981. There is no summarized indication in the budget document which particular posts are proposed for upgrading, or how many upgradings are proposed in all. In response to inquiries, the representatives of the Director-General informed the Advisory Committee that a total of 81 upgradings were proposed, of which 41 were within the General Service category, two from General Service to the Professional category, and 38 in the Professional category and above (including two from D-1 to D-2 and one from P-5 to D-1). The two new D-2 posts would be to restore the original grade of the Special Assistant in the Office of the Director-General and to upgrade the post of the expert on the Law of the Sea, transferred from Legal to the Fisheries Department. All upgradings have been considered by FAO's internal Establishments Committee.

Extrabudgetary resources

56. FAO expects that delivery of UNDP-financed projects will amount to \$150-155 million in 1980 and \$170-180 million in 1981. In real terms, the value of that delivery will be roughly equivalent to delivery in 1975 (\$120 million). As regards non-UNDP extrabudgetary resources, total delivery (including support costs) under all Trust Funds reached \$71.2 million in 1978, and the total for the biennium 1978-1979 is expected to be \$148.4 million. Trust Fund delivery in 1980-1981 is tentatively forecast at \$178 million.

C. United Nations Educational, Scientific and Cultural Organization

	\$
Approved budget for 1979-1980	303,000,000
Approved budget for 1977-1978	<u>224,413,000</u>
Increase	78,587,000
	35 per cent

/...

57. The Advisory Committee discussed UNESCO's approved programme and budget for 1979-1980 and related matters with a representative of the Director-General of the organization.

1. Approved programme and budget for 1979-1980

58. The General Conference of UNESCO, at its twentieth session held in November 1978, adopted the programme and budget for 1979-1980 in the amount of \$303 million. The approved budget for 1979-1980 is \$78,587,000, or 35 per cent, larger than the approved budget of \$224,413,000 for 1977-1978. It is also \$27,500,000 or 10 per cent higher than the estimate of \$275,500,000 which the Director-General had submitted to the Conference (UNESCO document 20 C/5).

59. The main changes compared with the approved programme and budget for 1977-1978 and the costing procedures employed in the preparation of the estimates for 1979-1980 were described by the Advisory Committee in its report to the General Assembly at its thirty-third session (A/33/309, paras. 54-68). In the following table the appropriations for 1979-1980 are compared with the estimates as submitted by the Director-General and with the approved budget for 1977-1978.

	(1)	(2)	(3)	(4)	
	1979-1980	1979-1980	1977-1978	Increase(1) over (3)	
	<u>Appropriations</u>	<u>Estimates</u>	<u>Appropriations</u>		
	\$'000	\$'000	\$'000	\$'000	%
Part I. General policy and direction	18,275	17,302	13,625.7	4,649.3	34.1
Part II. Programme operations and services	179,094	177,012.3	143,909.6	35,184.4	24.4
Part III. General administrative services	21,343	21,054.5	17,611.7	3,731.3	21.2
Part IV. Conference, language and document services	17,981	17,759	13,795.5	4,185.5	30.3
Part V. Common Services	<u>20,958</u>	<u>20,584.7</u>	<u>16,538.5</u>	<u>4,419.5</u>	<u>26.7</u>
Subtotal	257,651	253,712.5	205,481.0	52,170.0	25.4
Part VI. Appropriation reserve	13,004	15,058.7	13,286.0	(282.0)	(2.1)
Part VII. Capital expenditure	6,229	6,228.8	5,646.0	583.0	10.3
Part VIII. Currency fluctuations	<u>26,116</u>	<u>500.0</u>	<u>-</u>	<u>26,116.0</u>	<u>-</u>
Total	<u>303,000</u>	<u>275,500.0</u>	<u>224,413.0</u>	<u>78,587.0</u>	<u>35</u>

/...

60. As can be seen from the above table, the bulk of the increase over the Director-General's estimates relates to part VIII, currency fluctuation (\$26,116,000 as against \$500,000). The Advisory Committee understands in this connexion that the provision in part VIII corresponds to the dollar difference between the rates of exchange assumed in calculating requirements under parts I to VII (i.e. 4.90 French francs or 2.48 Swiss francs equal \$US 1) and rates of 4.35 French francs or 1.63 Swiss francs equal \$US 1. In paragraph B(ii) of the appropriation resolution the Conference resolved that the provision in part VIII "may be used by the Director-General if and when the rates of exchange between the United States dollar and the French and Swiss franc are lower than those assumed ... in Parts I to VII of the Budget approved by the General Conference. On the other hand, if the rates of exchange between the United States dollar and the French and Swiss franc are higher than those assumed ... in Parts I to VII ... the sum so saved shall be credited by the Director-General to this part of the Budget. However, under no circumstances shall funds in this part be available for transfer for other purposes..." Any balance remaining in part VIII at the end of the biennium will be surrendered to Member States.

61. In paragraph C of the appropriation resolution, the Conference resolved that if the rates of exchange decline beyond the rates used in the establishment of part VIII (i.e. 4.35 French or 1.63 Swiss francs = \$US 1) the deficit would be covered by supplementary estimates under article 3.9 of the Financial Regulations. Should that prove inadequate the Conference would be convened in extraordinary session.

62. The appropriation for part VI, which comprises the provision for inflation under semi-full budgeting, is approximately \$2 million less than originally estimated by the Director-General. In response to inquiries the Advisory Committee was informed that experience since the beginning of 1979 indicated that the provision for inflation should prove adequate.

63. The appropriations for parts I to V are approximately \$4 million higher than the Director-General's estimates. The Advisory Committee understands that the increase is attributable to the following factors:

	\$
(a) Decision of the General Conference to hold its twenty-first session at Belgrade	800,000
(b) General service salary increases	1,209,000
(c) Increased cost of pension contribution	1,084,000
(d) Programme increases	649,000
(e) Increased cost of telephones and telegrams	<u>197,000</u>
	3,939,000

/...

2. Harmonization of medium-term planning and budget cycles

64. The General Conference has decided that UNESCO's medium-term planning and biennial-budget cycles should be harmonized with those of other organizations as from 1984. To that end, there would be need to extend the current plan (for 1977-1982) by one year, to the end of 1983. The Conference instructed the Director-General to prepare, as an exceptional transitional measure, a triennial draft programme and budget to cover the years 1981-1983, and to submit it to the General Conference at its twenty-first session. Within the synchronized cycle, the next medium-term plan would cover the period 1984-1989 and the next biennial budget the years 1984-1985. Several transitional measures were also decided upon. The General Conference decided, inter alia, that the next term of the Director-General should run for seven years.

3. New ways and means of mustering additional financial resources for UNESCO's programme

65. The Advisory Committee understands that UNESCO's estimates of the resources that will be available to it in 1979-1980 outside the regular budget amount to approximately \$178 million, including approximately \$82 million from UNDP.

66. At its twentieth session the General Conference adopted a resolution in which, after emphasizing that UNESCO should have increased extrabudgetary funds, it:

"1. Invites the Director-General:

- (a) to continue his efforts to strengthen and extend the scope of the measures taken in order to enable the Organization to play a greater role in mobilizing resources for co-operation in respect of programmes within its field of competence;
- (b) to continue his consultations with the other organizations of the United Nations system within the framework of the Administrative Committee for Co-ordination (ACC) with a view to devising a common approach in regard to the administrative and overhead costs of projects financed from funds-in-trust;
- (c) in the event of the common approach referred to under (b) above not being achieved, and after consultation with the Executive Board, to submit proposals to the General Conference for the setting up as from 1981 of a reserve account for project support costs, drawing its resources from the Regular Budget, to finance the administrative and overhead costs of projects supported by funds-in-trust set up for the benefit of the least advanced countries by other countries and organizations;

- (d) to submit to the General Conference at its twenty-first session an itemized list of needs which have already been identified and which have not so far been sufficiently covered by extrabudgetary resources, including those needs which represent global priorities;
- (e) to participate in the studies which are to be carried out within the framework of the United Nations system on the consequences of disarmament with a view to the transfer of resources for development purposes;

2. Further invites the Director-General, pending the finding of additional financial resources, to use, as far as possible, savings under the 1979-1980 Regular Budget for increased participation in all the fields of competence of UNESCO in the activities of the developing countries and more particularly those which have been classified as being among the least developed, following the principles and conditions set out in resolution 7/51 adopted at its twentieth session;

3. Also invites the Director-General to carry out, in consultation with the Executive Board, a feasibility study on the possibility of allocating a part of the Regular Budget of UNESCO for technical co-operation programmes and projects and to report at the twenty-first session of the General Conference."

D. International Civil Aviation Organization

	\$
Appropriations for 1980	21,041,000 <u>a/</u>
Appropriations for 1979	20,187,000 <u>a/</u>
Increase	854,000
	4.2 per cent

a/ Net of staff assessment.

67. The Advisory Committee discussed the budget of the International Civil Aviation Organization (ICAO) for 1980 and related matters with a representative of the Secretary-General of the organization.

68. The ICAO has a triennial budget; every three years its Assembly approves appropriations separately for each year of the succeeding triennium. At its twenty-second session in September-October 1977, the Assembly of ICAO adopted the budgets of the organization for the financial years 1978, 1979 and 1980 (A/32/315, paras. 94-102).

1. Regular programme 1980

69. The approved appropriations for 1980, \$21,041,000 net of staff assessment, are \$854,000 or 4.2 per cent higher than the appropriations for 1979. According to ICAO, the increase is a net figure reflecting the following changes:

\$

Increases:

Net increase in staff salaries not attributable to inflation . . .	221,000
Home leave travel (an item which varies from year to year)	20,000
Rental and maintenance of premises and equipment, supplies, and communication services	12,000
Contingencies (primarily provision for expected inflation)	643,000

Decreases:

Variation in annual meetings programme	(30,000)
Equipment, regional offices	(12,000)
Total	<u>854,000</u>

70. The following table gives a breakdown, by part, of the ICAO regular budget for 1980 as compared to 1979:

<u>ICAO parts of the budget</u>	<u>Appropriations</u> <u>1979</u>	<u>Appropriations</u> <u>1980</u>	<u>Increase</u> <u>(decrease)</u>
	\$	\$	\$
I. Meetings	449,000	419,000	(30,000)
II. The Secretariat	17,800,000	18,148,000	348,000
III. General services	3,394,000 <u>a/</u>	3,406,000 <u>a/</u>	12,000
IV. Equipment	176,000	164,000	(12,000)
V. Other budgetary provisions	67,000	67,000	-
VI. Contingencies	2,489,000	3,232,000	743,000
Total parts I to VI (gross)	24,375,000	25,436,000	1,061,000
<u>Less:</u> Staff assessment	4,188,000	4,395,000	207,000
Total (net of staff assessment)	20,187,000	21,041,000	854,000

a/ Includes \$1,224,700 in grants by the host Government for rental of premises.

71. The appropriation of \$3,232,000 for 1980 under part VI (Contingencies) 5/ is earmarked for salary and price increases during the year, given that the appropriations for parts I through V of the budget were based on salary and price levels which were in effect at the time of final preparation of the estimates for the current triennium, i.e., early in 1977. The requirements under part VI have been calculated on the assumption that costs for part II of the budget (salary items and pension fund contributions) would increase by an average of 5 per cent a year and those of major items under parts III, IV and V of the budget would rise by 4 per cent a year. No contingency provision is made for cost increases under part I (Meetings).

72. The regular establishment of ICAO (excluding posts financed from the account for administrative and operational services costs of technical assistance in 1980 will be the same as in 1979 and 1978, i.e., 705 posts (273 Professional and above, and 432 General Service), of which 163 posts (70 Professional and 93 General Service) relate to regional offices (A/32/315, para. 100).

5/ This part was first introduced in the budget of ICAO for the triennium 1975-1977 to strengthen the ability of the organization to deal with inflation and exchange rate fluctuations between regular Assemblies (A/32/315, para. 98).

73. The appropriations for 1980 under part II (The Secretariat) take into account a turnover deduction of \$991,000 which assumes a vacancy rate of 6 per cent for Professional posts and 4 per cent for General Service posts; the same vacancy rates were assumed for 1979.

2. Administrative and operational services costs of technical assistance

74. The funds which finance technical assistance programme activities of ICAO 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 1978, the total field programme expenditures relating to technical assistance activities financed by extrabudgetary funds amounted to \$31,611,031, as compared to \$22,374,763 the year before. The net administrative and operational services cost of those activities amounted to \$3,000,246 in 1978 and \$2,686,133 in 1977. The costs for 1979 have been estimated at \$2,913,700 and those for 1980 at \$3,015,700 (these estimates were made in 1977; since that time programme growth has required an increase in overhead staff and in expenditure, within available overhead funds). The estimated number of extrabudgetary posts in 1980 is 158 (49 Professional and 109 General Service) as compared to 154 in the current year (47 Professional and 107 General Service).

E. Universal Postal Union

	Swiss Francs	\$US a/
Net estimates 1980	16,118,400	9,949,630
Adjusted net budget 1979	17,380,200	10,728,519
Decrease	(1,261,800)	(778,889)

7.3 per cent

a/ The budget of UPU is expressed in Swiss francs and all United States dollar amounts are based on an exchange rate of 1.62 Swiss francs = \$US 1.

1. Revised appropriations for 1979

75. At its session in February/March 1979, the Executive Council of UPU approved a revised budget for 1979 of 17,380,200 Swiss francs (\$10,728,519), which represents an increase of 342,400 Swiss francs (\$211,358) or 2 per cent over the initial appropriation. According to UPU, the additional appropriation was made necessary by several minor requirements, unforeseen at the time of the initial estimates.

2. Summary analysis of the budget for 1980

76. The budget of the Union is subject to annual net expenditure limits set by the Universal Postal Congress. The seventeenth UPU Congress, held at Lausanne in 1974, fixed the ceilings for the years 1976-1980.

77. The 1980 appropriations of 16,118,400 Swiss francs (\$9,946,630) represent a reduction of 1,261,800 Swiss francs (\$778,889) or 7.3 per cent from the revised appropriations for 1979. The decrease is due to the fact that the 1979 estimates included requirements for the holding of the eighteenth Universal Postal Congress at Rio de Janeiro.

78. The following table shows the estimates for 1980 compared with revised estimates for 1979.

	<u>Revised</u> <u>1979</u> \$ <u>a/</u>	<u>1980</u> \$ <u>a/</u>	<u>Increase</u> <u>(Decrease)</u> \$ <u>a/</u>
Staff costs	8,062,407	8,239,012	176,605
Other expenses of the International Bureau	2,139,198	2,503,889	364,691
Expenses for the eighteenth Congress	1,318,025	-	(1,318,025)
Total (Gross)	<u>11,519,630</u>	<u>10,742,901</u>	(776,729)
Miscellaneous income	<u>791,111</u>	<u>793,271</u>	2,160
Total (Net)	10,728,519	9,949,630	(778,889)

a/ At 1.62 Swiss francs = \$US 1.

79. As can be seen from the table, staff costs have remained stable; the increase, which amounts to approximately 2 per cent, relates entirely to promotions and within-grade increments.

80. No new posts are being requested for 1980. The number of established posts will remain at 130, of which 13 are assigned to technical assistance activities financed by UNDP. The Advisory Committee was informed that 29 per cent of the costs of these 13 posts are paid for out of the reimbursement for agency support costs.

81. Other expenses of the International Bureau show an increase of about 17 per cent over the revised 1979 level. This is attributable to the publication in 1980 of the Acts of the UPU Congress held at Rio de Janeiro in 1979.

/...

82. Miscellaneous income is estimated as follows (at 1.62 Swiss francs = \$US 1):

	<u>1979</u>	<u>1980</u>
	\$	\$
Reimbursement of administrative overheads by UNDP	308,642	308,642
Sale of publications	101,235	118,518
Rental of premises	277,160	277,160
Other income	104,074	88,951
	<u>791,111</u>	<u>793,271</u>

F. World Health Organization

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

a/ Approved by the thirty-second World Health Assembly in May 1979 (resolution WHA 32.28).

83. 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 the organization.

1. Programme budget for 1980-1981

84. The programme budget for 1980-1981 is the first in which both the programme and the budget of WHO have been developed on a fully integrated biennial basis. Previously, the WHO programmes for 1976-1977 and 1978-1979 were developed on a biennial basis, but the budget corresponding to each of those years was developed, presented and reviewed on an annual basis (A/33/309, para. 89). The programme budget for 1980-1981 reflects the new procedures for programme budgeting and management of WHO's resources at country level. 6/ It also takes into account

6/ The emphasis being on the planning, development and presentation of technical co-operation programmes with Governments, responding to nationally defined needs and priorities, and in closer harmony with national health programming processes at country level.

the agreements reached by the Administrative Committee on Co-ordination (ACC) on the harmonization of programme budget presentation, resulting in a certain amount of standardization of the programme narratives including some of the budgetary tables.

85. The effective working budget for 1980-1981 amounts to \$427,290,000, an increase of \$72,960,000 or 20.59 per cent as compared to the total of the approved budget for 1978 and 1979. According to WHO, about 90 per cent of the increase represents cost increases due to inflation and currency fluctuations (see following paragraph). The cost estimates relating to expenditures in Swiss francs included in the programme budget for 1980-1981 have been based on an exchange rate of 1.55 Swiss francs per United States dollar, which was the United Nations/WHO operational accounting rate of exchange at the time the proposed programme budget was finalized (October 1978).

86. The net increase of \$72,960,000 for 1980-1981 as compared with the budget level of \$354,330,000 in 1978 and 1979 is attributed by WHO to the following:

	\$	%
(a) Real programme increases	7,192,800	2.03
(b) Cost increases:		
due to inflation	26,940,300	7.60
due to rates of exchange	38,826,900	10.96
Subtotal	<u>65,767,200</u>	<u>18.56</u>
Total	<u>72,960,000</u>	<u>20.59</u>

In this connexion, the Advisory Committee was informed that, although the World Health Assembly had authorized the Director-General in 1978 to develop the regular programme budget for 1980-1981 within a budgetary level that would provide for a real increase of up to 2 per cent per annum, the Director-General had decided to propose a budget increase in real terms of only approximately 1 per cent per annum for 1980-1981.

87. The representatives of the Director-General informed the Committee that the programme budget for 1980-1981 continued to implement the programme budget policy and strategy for 1978-1981, whereby the working of the organization would be reoriented with a view to ensuring that allocations from the regular programme budget towards technical co-operation reach the level of 60 per cent (A/33/309, para. 100, and A/32/315, paras. 111-113). The programme budget strategy calls for the reduction of established posts, particularly at headquarters, and the phasing out of projects that have outlived their usefulness, in order to make additional resources available for technical co-operation.

/...

88. The following table shows the effective working budget for 1980-1981 by appropriation sections as compared to the budgets for 1978 and 1979. The Committee understands that the programme budget for 1980-1981 has been formulated on the basis of a revised programme classification structure.

(In United States dollars)

<u>Appropriation section</u>	<u>1978 and 1979 a/</u>	<u>1980-1981 b/</u>	<u>Increase</u>
1. Policy organs	7,795,600	10,128,600	2,333,000
2. General programme development, management and co-ordination	46,071,800	56,025,900	9,954,100
3. Development of comprehensive health services	69,346,200	77,994,100	8,647,900
4. Disease prevention and control	62,867,400	76,806,600	13,939,200
5. Promotion of environmental health	18,752,200	26,157,000	7,404,800
6. Health manpower development	44,911,100	52,362,500	7,451,400
7. Health information and literature	35,338,200	42,881,000	7,542,800
8. General service and support programmes	69,247,500	84,934,300	15,686,800
Total effective working budget	<u>354,330,000</u>	<u>427,290,000</u>	<u>72,960,000</u>

a/ While the total effective working budgets for 1978 and 1979 remain the same as reported in A/33/309, the estimates for the appropriation sections have been revised and adjusted for purposes of comparison.

b/ The total effective working budget for 1980-1981 covers eight appropriation sections as compared to nine for 1978 and 1979 (A/33/309, para. 94), the current appropriation section "Support to regional programmes" having been merged with the 1980-1981 appropriation sections "General service and support programmes" and "General programme development, management and co-ordination".

89. As can be seen from the following table the bulk of the increase (63 per cent) is to take place in country and regional activities.

WHO effective working budget	1978-1979	1980-1981	1980-1981/1978-1979 increase (decrease)	
Country and intercountry activities	167,806,500	208,717,500	40,911,000	56.1%
Regional offices <u>a/</u>	33,280,800	38,335,500	5,054,700	6.9%
Global and interregional activities	24,873,000	23,623,800	(1,249,200)	(1.7%)
Headquarters <u>b/</u>	128,369,700	156,613,200	28,243,500	38.7%
Total	354,330,000	427,290,000	72,960,000	100.0%

a/ Including regional committees.

b/ Including the World Health Assembly and the Executive Board.

90. A breakdown of programme and cost increases for 1980-1981 by activities at WHO headquarters and in the field is given below:

<u>WHO 1980-1981</u>	<u>Programmes increase (decrease)</u>		<u>Cost increase due to inflation</u>		<u>Cost increase due to rates of exchange</u>		<u>Total increases</u>	
	\$		\$		\$		\$	
Headquarters, and global and interregional activities	(11,299,700)	(157%)	878,600	3%	37,415,400	96%	26,994,300	37%
Regions	18,492,500	257%	26,061,700	97%	1,411,500	4%	45,965,700	63%
Total	7,192,800	100%	26,940,300	100%	38,826,900	100%	72,960,000	100%

91. The 1980-1981 programme budget reflects a net decrease of 112 posts in established offices. The distribution of posts at headquarters and in the regions for the two biennia is as follows:

<u>Number of posts under WHO regular budget</u>	<u>1978-1979</u>	<u>1980-1981</u>	<u>Increase (decrease)</u>
Headquarters	1,134	1,013	(121)
Regions	<u>1,163</u>	<u>1,172</u>	<u>9</u>
Total	<u>2,297</u>	<u>2,185</u>	<u>(112)</u>

The Advisory Committee understands that the reduction in established posts will be offset by increased use of other means of action.

92. The Advisory Committee notes that in the programme budget documents of WHO staff resources are not related to programmes. The Committee understands that it has been the practice of WHO not to indicate established post requirements in the programme narratives and that staffing data contained in the proposed programme budget document are for the information of the World Health Assembly; the Assembly does not approve a staffing table for the organization.

2. Resources of the Integrated International Health Programme

93. In addition to its regular budget, WHO directly or indirectly administers funds from several sources. The following table shows the number of posts and the total estimated costs of activities financed or planned to be financed for 1978-1979 and 1980-1981 and the corresponding figures for the regular budget.

W H O	Number of posts		Estimated obligations ^{a/}	
	<u>1978-1979</u>	<u>1980-1981</u>	<u>1978-1979</u>	<u>1980-1981</u>
			\$	\$
<u>Regular budget</u>				
(effective working budget)	2 297	2 185	354 330 000	427 290 000
<u>Other funds</u>				
Pan American Health Organization	438	421	97 741 300	97 732 600
Voluntary Fund for Health Promotion	100	76	86 303 200	68 238 700
United Nations Development Programme	5	5	49 168 400	31 376 300
United Nations Environment Programme	-	-	4 395 900	2 792 000
United Nations Children Fund	-	-	100 000	-
United Nations Fund for Drug Abuse Control	2	2	2 031 200	1 142 000
United Nations Fund for Population Activities	34	34	37 193 600	18 292 000
Trust Funds and Reimbursable	70	74	77 942 000	119 306 900
Special Account for Servicing Costs	9	11	3 104 600	1 586 900
International Agency for Research on Cancer	153	122	13 633 000	11 579 000
Subtotal of other funds	811	745	371 613 200	352 046 400
Total	<u>3 108</u>	<u>2 930</u>	<u>725,943 200</u>	<u>779 336 400</u>

^{a/} Excluding global allocations to joint health projects by UNICEF (see para. 95 below).

94. As can be seen from the above table, extrabudgetary resources to be made available to the organization in 1980-1981 are estimated at \$352.0 million, as compared with \$427.2 million under the regular budget. WHO carries out all its activities in a fully integrated manner irrespective of the sources of their financing. Pursuant to this policy, the costs of all administrative and technical support are consolidated in the regular budget. On the other hand, the organization collects reimbursement of programme support costs for activities financed by UNDP and from other extrabudgetary funds, normally at a rate of 14 per cent of programme delivery. The proceeds are credited to the Special Account for Servicing Costs and are used primarily to help finance the regular budget.

95. WHO co-operates with UNICEF on projects that are jointly assisted by the two organizations. WHO, however, does not administer the UNICEF contributions to such projects. The approximate level of assistance which UNICEF has indicated may be expected to be allocated globally to joint health projects in 1980-1981 is \$226 million as compared with \$166 million in 1978-1979.

3. Other matters

96. The representatives of the Director-General explained to the Advisory Committee the action taken by WHO to meet the problem of supplementary budgetary requirements resulting from currency fluctuations. This problem has existed since 1971; it has been met in part by a series of economy measures, mainly at headquarters, by the use of funds from outside the regular budget, and by supplementary budgets and additional budgetary requirements. In 1978, the Programme Committee of the Executive Board undertook a study of the question with a view to finding a long-term solution to the problem. It concluded that the solution best suited to the experience and circumstances of WHO appeared to be to grant a substantially enlarged facility to the Director-General to use currently available casual income for this purpose on the same lines and conditions as those stipulated by the thirty-first World Health Assembly in resolution WHA 31.7 (A/33/309, paras. 92 and 93).

97. The thirty-second World Health Assembly in May 1979 authorized the Director-General to use casual income in 1979 up to a maximum of \$15 million to cover the net additional costs to the organization under the regular budget resulting from differences between the WHO United States dollar/Swiss franc budgetary rate of exchange and the United Nations/WHO accounting rates of exchange (resolution WHA 32.3). By resolution WHA 32.4 the Health Assembly approved a similar mechanism for 1980-1981, whereby the Director-General was authorized to use up to \$15 million of available casual income to cover the net additional costs resulting from changes in the United States dollar/Swiss franc relationship during that biennium.

98. The representatives of the Director-General informed the Advisory Committee that recourse to casual income would reduce, if not entirely eliminate, the need for future supplementary budgets to cover losses resulting from currency fluctuations. It would thus prevent increases in the budget level from one year to another, and would also ensure that net savings resulting from favourable exchange rate developments would revert to Member States. Under this arrangement,

no attempt would be made to predict the evolution of the United States dollar/Swiss franc rate of exchange during the forthcoming budgetary period, since the budgetary rate of exchange would simply be the most recent United Nations/WHO accounting rate of exchange known at the time when the budget proposals were being finalized. In effect, it would isolate the budgetary exchange rate, and thus the budget level, from the effects of monetary fluctuations subsequent to the preparation of proposed programme budgets.

99. The representatives of the Director-General also reported to the Advisory Committee that the World Health Assembly in recent years has adopted policies which reflect a growing concern for the social purpose of health development and for the role of health in promoting social and economic development. One of the most fundamental among these was the Assembly's decision that the main social target of Governments and WHO in the coming decades should be the attainment, by the year 2000, of a level of health that will permit all citizens of the world to lead a socially and economically productive life. In this context, the thirty-first World Health Assembly in 1978 requested the Director-General to re-examine the Organization's structures with a view to ensuring that activities at all operational levels promote integrated action.

100. The Advisory Committee was informed that the study of the organization's structures was under way and that three new aspects were added to that study by the thirty-second World Health Assembly in May 1979, namely:

- (a) The question of holding biennial rather than annual World Health Assemblies;
- (b) The membership of the Executive Board;
- (c) The location of WHO's headquarters.

The Advisory Committee understands that the headquarters question is directly linked to the budgetary losses which have been incurred since 1972 as a result of the decline in the value of the United States dollar in relation to the Swiss franc. The Committee was informed that it was the intention of the Director-General to submit to the Executive Board in January 1980 a first outline of a possible study on the feasibility of relocating WHO's headquarters. On the basis of an initial consideration of the various implications involved, it would then be for the World Health Assembly to decide whether or not to proceed with such a feasibility study.

G. International Telecommunication Union

	<u>Regular 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>
1980 - net budget	69,319,000	41,758,434	8,200,000	4,939,759
1979 - net budget	69,947,000	42,136,747	7,434,000	4,478,313
Increase			766,000	461,446
Decrease	628,000	378,313		

a/ The budgets of ITU are expressed in Swiss francs and the United States dollar figures are based on an exchange rate of SwF 1.66 = \$US 1.

Summary analysis of the budget for 1979

101. At its thirty-fourth session (1979) the Administrative Council approved the budget for 1980 which amounted to:

<u>Swiss francs</u>	<u>\$US</u>	
62,319,000	37,541,566	for the ordinary budget
<u>7,000,000</u>	<u>4,216,868</u>	for the supplementary publications budget
<u>69,319,000</u>	<u>41,758,434</u>	

102. The Administrative Council also approved the technical co-operation special accounts budget (administrative costs) which amounts to 8,200,000 Swiss francs (\$4,939,759).

103. The following table compares the 1980 ITU budgets with those for 1979:

	<u>1980</u>	<u>1979</u>	<u>Increase (Decrease)</u>	
	<u>SwF</u>	<u>SwF</u>	<u>SwF</u>	<u>%</u>
Ordinary budget	62,319,000	61,557,000	762,000	1.2
Supplementary publications budget	7,000,000	8,390,000	(1,390,000)	(16.6)
Technical co-operation budget	8,200,000	7,434,000	766,000	10.3
	<u>77,519,000</u>	<u>77,381,000</u>	<u>138,000</u>	<u>0.2</u>

104. Increased expenditure under the ordinary budget is due mainly to the addition of five new posts (see para. 107 below). The decrease in the publications budget is the result of a smaller publications programme and a reduction in the number of staff charged to this budget. As for the technical co-operation budget, the increase is attributable to the greater number of projects envisaged.

105. Expenditure estimates for 1980, by category of expenditure, compared with 1979, are as follows (excluding the technical co-operation special accounts):

	<u>1979</u>		<u>1980</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
I. Staff (excluding staff assessment) a/	51,017,000	30,733,133	52,221,000	31,458,434
II. General Services	10,425,000	6,280,120	9,918,000	5,974,699
III. Special projects and activities	8,390,000	5,054,217	7,000,000	4,216,867
IV. Other budget estimates	115,000	69,277	180,000	108,434
Total (gross).	<u>69,947,000</u>	<u>42,136,747</u>	<u>69,319,000</u>	<u>41,758,434</u>
Miscellaneous income	<u>11,944,000</u>	<u>7,195,181</u>	<u>10,631,600</u>	<u>6,404,578</u>
Net total	<u>58,003,000</u>	<u>34,941,566</u>	<u>58,687,400</u>	<u>35,353,856</u>

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

106. Technical co-operation special account estimates for 1980 by category of expenditure, compared with 1979 are as follows:

	<u>1979</u>		<u>1980</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
I. Staff <u>a/</u>	6,745,000	4,063,253	7,529,000	4,535,542
II. General Services	689,000	415,060	671,000	404,217
Total	<u>7,434,000</u>	<u>4,478,313</u>	<u>8,200,000</u>	<u>4,939,759</u>

a/ Excluding staff assessment, only net salaries of Union officials being entered in the budget.

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

107. Concerning the ordinary budget and publications budgets, the breakdown of expenditure given in paragraph 105 above shows that staff costs in 1980 are estimated at 52,221,000 Swiss francs (\$31,458,434) compared with 51,017,000 Swiss francs (\$30,733,133) in 1979. The increase, which amounts to 1,204,000 Swiss francs (\$725,301) or 2.4 per cent, is due to the creation of five new posts and the greater need for supernumerary staff for both the regular activities of ITU and for conferences and meetings.

108. For 1980 the number of established posts fixed by the Administrative Council is 616, of which 508 are charged to the ordinary budget (an increase of five posts from 1979), 102 to the technical co-operation budget (unchanged), and six to the publications budget (three posts less than in 1979).

109. Estimated expenditure for General Services shows a reduction of 507,000 Swiss francs (\$305,422) in the ordinary budget. This is due to the fact that the programme of conferences and meetings for 1980 will consist principally of meetings of study groups, the costs of which are less than those of the administrative conferences in 1979. The consequent estimated reduction of 800,000 Swiss francs (\$481,928) is partially offset by an estimated increase of 293,000 Swiss francs (\$176,506) for the ITU computer system.

110. The estimate of 7,000,000 Swiss francs (\$4,216,867) for special projects and activities (see table in para. 105 above) relates to the publishing programme for 1980.

111. The following table shows the budget estimates for conferences and meetings in 1980 compared with 1979.

	<u>1979</u>		<u>1980</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
World Administrative Radio Conferences	4,825,000	2,906,627	240,000	144,578
Study Groups of the International Radio Consultative Committee	71,000	42,771	3,800,000	2,289,157
Study Groups and VII th plenary Assembly (1980) of the International Telegraph and Telephone Consultative Committee	2,579,000	1,553,614	2,630,000	1,584,337
Regional Administrative Broadcasting Conference - Region 2	-	-	600,000	361,446
Seminars	200,000	120,482	265,000	159,639
Common expenses for conferences and meetings (typing and reproduction of documents, translation). . .	3,424,000	2,062,651	3,300,000	1,987,952
Total	<u>11,099,000</u>	<u>6,686,145</u>	<u>10,835,000</u>	<u>6,527,109</u>

112. The estimates of miscellaneous income for the years 1979 and 1980 are as follows:

	<u>1979</u>		<u>1980</u>	
	<u>SwF</u>	<u>\$US</u>	<u>SwF</u>	<u>\$US</u>
Income from the sale of publications by the Union	8,390,000	5,054,217	7,000,000	4,216,867
Withdrawal from the Union's contingency provision in order to reduce the amount of the unit of contribution	3,400,000	2,048,193	3,400,000	2,048,193
Other income	154,000	92,771	231,600	139,518
Total	<u>11,944,000</u>	<u>7,195,181</u>	<u>10,631,600</u>	<u>6,404,578</u>

/...

H. World Meteorological Organization

	\$
Approved budget 1980	17,495,000
Approved budget 1979 <u>a/</u>	<u>16,800,518</u>
Increase	694,482
	4.1 per cent

a/ Including reappropriation of 1978 surplus (\$481,568) and supplementary estimates (\$802,000).

1. Supplementary estimates for 1979

113. The budget of WMO, as approved by the Executive Committee at its thirtieth session in 1978, amounted to \$15,516,950 net of staff assessment (A/33/309, paras. 122-123). The Advisory Committee was informed that subsequent fluctuations in the exchange rate between the Swiss franc (in which approximately 90 per cent of the total obligations of WMO is incurred) and the United States dollar had given rise to a requirement for an additional expenditure in dollars of approximately 5 per cent.

114. At its spring 1979 session the WMO Executive Committee approved supplementary estimates of \$802,000 to meet the increased costs in United States dollars of staff salaries and allowances payable in Swiss francs. Of this amount \$300,000 will be met through additional contributions from members, to be levied in 1980. The balance will be met from the transfer of the surplus in the General Fund available on 1 January 1979 (\$303,992) and from the miscellaneous income available as at 15 May 1979 (\$198,008).

2. Consolidated programme and budget 1980-1983 (eighth financial period)

115. WMO follows a four-year budgetary cycle. Its Congress, which meets every four years, establishes a budgetary ceiling for the ensuing four-year financial period, and individual budgets for each year 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, subject to certain conditions, to exceed the level of the maximum expenditures for the financial period.

116. The eighth World Meteorological Congress, which was held in April-May 1979, approved a maximum expenditure of \$74.4 million for the four-year period 1980-1983. This figure is based on salary scales, prices and exchange rates prevailing on 1 April 1979 (exchange rate: \$1 = SwF 1.68).

117. As in the past, the limit approved by the Congress is subject to provisions for flexibility which authorize the Executive Committee:

/...

(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, provided that the Executive Committee is satisfied that they cannot be met by economies within the approved budget;

(b) To incur any necessary expenditures, up to \$500,000, resulting from changes in currency exchange rates for 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.

118. In addition to approving the ceiling for the eighth financial period, the Congress also examined the proposed structure of the WMO secretariat for the period and authorized the Secretary-General to arrange this in the best way possible, within the financial limitations imposed by the approved maximum expenditures. Congress further decided that the maximum number of established posts in the secretariat during the eighth financial period should be 246 and that the grades and numbers of senior staff should not exceed one D-2 and eight D-1. Within the maximum limit on expenditures, this would provide the Secretary-General with one D-2 grade already approved by the seventh Congress (1975) and one additional D-1 grade. Congress considered that these grades would provide the Secretary-General with some flexibility for adjustments in the working arrangements within the secretariat. The Secretary-General must consult the Executive Committee prior to making use of these additional grades.

119. The approved total of 246 posts exceeds the present staff ceiling of 238 by 8. The Committee was informed that this increase is the net result of increases for the high priority programmes in World Weather Watch, Applications (agriculture, hydrology) and regional activities, partially offset by decreases in other areas. It should be noted that the total of 246 approved posts does not include the staff of the Technical Co-operation Department which is financed from UNDP funds, nor does it include staff for the joint activities covered by the agreement between WMO and the International Council of Scientific Unions (ICSU).

3. 1980 budget

120. Following the practice previously established by the Executive Committee and applicable to sessions immediately following meetings of Congress, the draft programme and budget submitted to the Executive Committee concerning the first year (1980) of the eighth financial period (1980-1983) was prepared in the form of a short document. This document summarized the decisions of the eighth Congress concerning the approved level of activities envisaged for 1980 with the corresponding proposed budget appropriations. It also contained an allocation of that portion of the management and supporting costs included in the four-yearly budget as would be required for 1980. The Executive Committee approved a budget of \$17,495,000, which represents 23.5 per cent of the maximum expenditure approved by Congress for the four-year period. This amount is based on the exchange rate of SwF 1.68 = \$US 1 as fixed by the United Nations for April 1979 and the salary rates applicable at that time.

/...

121. The approved budget for 1980 represents an increase of \$694,482 or 4.1 per cent over the approved budget for 1979, as revised (see paras. 113 and 114 above). The following table provides a summary, by parts of the budget:

<u>Part</u>	<u>1980 approved budget</u>	<u>1979 initial approved budget a/</u>	<u>1980 increase/decrease from 1979</u>
	\$	\$	\$
I. Policy-making organs.	485,000	725,200	(240,200)
II. Executive management.	874,000	850,400	23,600
III. Scientific and technical programmes			
A. World Weather Watch	2,519,100	1,561,174	957,926
B. Research and Development Programme	1,744,300	2,434,036	(689,736)
C. Meteorological Applications and Environment Programme	1,316,300	1,689,572	(373,272)
D. Hydrology and Water Resources Development Programmes	821,000	712,748	108,252
E. World Climate	728,200	-	728,200
IV. Technical co-operation regional and training programmes	2,187,100	1,957,223	229,877
V. Programme supporting activities	3,562,600	3,683,174	(120,574)
VI. Administration and common services	2,797,400	2,759,695	37,705
VII. Other budgetary provisions.	460,000	427,296	32,704
TOTAL	<u>17,495,000</u>	<u>16,800,518</u>	<u>694,482</u>

a/ Including reappropriation of 1978 surplus and supplementary estimates. A breakdown of the budget for 1979, as initially approved by the Executive Committee, is given in the table following para. 123 of the report by the Advisory Committee (A/33/309).

4. Working Capital Fund

122. Congress approved an increase in the level of the Working Capital Fund from \$2 million to \$2.5 million in 1980-1983, i.e. by \$500,000. A serious cash flow problem for the organization was created by the fact that one major member was temporarily restricted from paying its contribution. Congress therefore authorized the Secretary-General to have recourse to short-term internal borrowing and, if this were to prove insufficient, to short-term external borrowing.

5. Other

123. At its eighth session Congress considered whether the Swiss franc should be adopted as the unit of currency instead of the United States dollar for budget purposes. Considering that the United States dollar was the currency used by most of the organizations and that the use of the Swiss franc would be to the detriment of the comparability with the budgets adopted by the other organizations, Congress decided to maintain unchanged the unit of currency for budget purposes.

124. Congress also considered whether the adoption of two biennial budgets within each financial period would suitably meet the requirements of the organization. It noted that most of the organizations of the United Nations system have now adopted a biennial cycle upon the recommendation of the Economic and Social Council and other interorganization bodies. Congress was of the opinion that despite such recommendations on harmonization of programme and budget presentation, the financial period of four years could not be equated to two successive biennia. In order to maintain the present control by the Executive Committee over the annual programmes and the corresponding financial resources allocated, Congress decided to maintain unchanged the present annual budget system.

I. Inter-Governmental Maritime Consultative Organization

Gross budget 1980-1981 a/	\$ 20,635,600
Approved gross budget 1978-1979	<u>12,661,300</u>
Increase	7,974,300
	63.0 per cent

a/ Secretary-General's proposals to the IMCO Council at its forty-second session (see paras. 128 and 129 below).

125. The Advisory Committee discussed the budget of IMCO and related matters with the Secretary-General of the organization.

1. Budgetary situation in 1978-1979

126. The gross budget appropriation of IMCO for 1978-1979 is \$12,661,300 (\$6,034,400 for 1978 and \$6,626,900 for 1979). At its forty-second session in March 1979, the IMCO Council was informed that, while there was no budgetary deficit in 1978, developments in 1979 were likely to produce a deficit of \$942,000 for the biennium as a whole. The Advisory Committee was informed by the Secretary-General that an up-dated review of the budgetary situation indicated that the deficit would now be in the order of \$1.35 million net. According to the Secretary-General the main contributory factors were the appreciation of the pound sterling (currently \$2.22 = £1 as against a rate of \$1.99 = £1 assumed in the budget) and inflation (currently 15.8 per cent a year, and expected to rise to 17.5 per cent by the end of 1979, as against 10 per cent assumed in the budget).

127. The Secretary-General recalled that as a result of decisions taken by the IMCO Assembly at its tenth regular session and by the IMCO Council at its forty-first session, the 1976-1977 cash surplus of \$1,951,065 was allocated as to \$750,000 to the headquarters installation fund and as to \$1,201,065 to the exchange reserve fund (A/33/309, paras. 128-129). The IMCO Council at its forty-second session in March 1979 decided that the entire amount in the exchange reserve fund should be applied towards the budgetary deficit for 1978-1979. It is expected that the balance of the shortfall (\$1.35 million less \$1.2 million = \$150,000) can be covered by additional miscellaneous income. In the circumstances the Secretary-General of IMCO stated that it was not his intention to request a supplementary appropriation.

2. Budget for 1980-1981

128. The Secretary-General submitted estimates totalling \$20,635,600 for the biennium 1980-1981 (an increase of \$7,974,300 or 63 per cent over the approved budget of \$12,661,300 for 1978-1979) to the IMCO Council at its forty-second session in March 1979. The estimates were based on the February 1979 operational rate of exchange of \$1.99 to £1.00 and assumed an annual inflation rate of 10 per cent. The breakdown by main appropriation lines (with corresponding appropriations for the 1978-1979) is given in the following table.

Section	1978-1979 biennium	1980-1981 biennium <u>a/</u>			Increase/(decrease) 1980-1981 from 1978-1979	
		1980	1981	Total		
		\$	\$	\$	\$	%
I. Meetings	2 006 800	811 200	1 241 200	2 052 400	45 600	2.3
II. Personnel	8 190 600	5 873 550	6 606 550	12 480 100	4 289 500	52.4
III. General services	1 520 300	1 168 500	1 231 500	2 400 000	879 700	57.9
IV. Printing and publications .	65 200	50 100	55 100	105 200	40 000	61.3
V. Other budgetary provisions .	878 400	431 100	3 166 800	3 597 900	2 719 500	309.6
TOTAL (gross)	12 661 300	8 334 450	12 301 150	20 635 600	7 974 300	63.0
LESS:						
Miscellaneous income	247 000	232 000	184 000	416 000	169 000	68.4
TOTAL (net)	12 414 300	8 102 450	12 117 150	20 219 600	7 805 300	62.9

a/ Budget proposals submitted to the Council at its forty-second session.

/...

129. The Council, acting on the advice of its Budgetary Working Group recommended that the meetings schedule be reduced from a total of 66-1/2 weeks to 44 weeks in the biennium with a consequential reduction in documentation. The resultant savings are estimated at \$700,000 under section I, Meetings and \$600,000 under section II, Personnel (see paras. 130 and 131 below). The reductions in the volume of documentation would be offset, however, by new requirements related to the enhanced use of Spanish as a working language in IMCO. Additional budgetary provisions may also be required depending on the decisions to be taken by the Assembly as to the rate of exchange and projections of inflation.

3. Staff

130. The IMCO staffing table for 1978-1979 comprises 210 regular budget posts (including 71 in the Professional and above categories) and 31 posts (including 10 at the Professional level) financed from the technical co-operation budget, making a total of 241 posts. For the 1980-1981 biennium, the Secretary-General had proposed to the Council at its forty-second session the establishment of 20 new regular budget posts (4 Professional and 16 General Service) and 4 new posts financed from the technical co-operation budget (all at the General Service level), making a grand total of 265 posts.

131. The Advisory Committee was informed by the Secretary-General that in the light of the Council's decision to reduce the level of meetings and documentation for the 1980-1981 biennium (see para. 129 above) and the need for economy, he was now requesting only two Spanish language posts (one Professional and one General Service).

4. Headquarters facilities and accommodation

132. The Advisory Committee was informed that construction of the new Headquarters was proceeding on schedule and that it was expected that work would be completed by the latter half of 1981. The Secretary-General of IMCO informed the Advisory Committee that the installation and related costs would be in the order of \$6 million (at the rate of \$2.22 to £1) spread over two biennia (\$4 million in 1980-1981 and \$2 million in 1982-1983). The Secretary-General stated that subject to his being able to obtain direct loans either interest free or at concessionary rates amounting to perhaps \$1.3 million from Member States, and after the application of the approximately \$700,000 remaining in the Headquarters installation fund, some \$2 million would be required in this regard during 1980-1981.

5. Assessment of budget contributions

133. The Advisory Committee was informed that the ad hoc working group established by the IMCO Council at its thirty-eighth session to examine a proposal by one member State for a change in the formula for assessment of contributions to IMCO had recommended that the present formula should be retained. The IMCO Council at its forty-second session had concurred with this recommendation and transmitted it to the Assembly for consideration at its eleventh regular session.

J. World Intellectual Property Organization

	Swiss Francs	\$US <u>a/</u>
Draft expenditure budget 1980 <u>b/</u>	29,658,000	17,143,352
Expenditure budget 1979	<u>27,635,000</u>	<u>15,973,988</u>
Increase	2,023,000	1,169,364
	7.3 per cent	
	Swiss Francs	\$US <u>a/</u>
Draft expenditure budget 1981 <u>b/</u>	31,326,000	18,107,514
Draft expenditure budget 1980	<u>29,658,000</u>	<u>17,143,352</u>
	1,668,000	964,162
	5.6 per cent	

a/ At Swiss francs 1.73 to \$US1.

b/ Excludes costs attributable to the extended use of certain languages (see paras. 154 and 155 below).

134. The General Assembly, in resolution 3346 (XXIX) of 17 December 1974, approved the agreement between the United Nations and the World Intellectual Property Organization (WIPO), by which that organization became a specialized agency of the United Nations. Article 16 of the agreement provides for the transmittal of the WIPO budget for examination by the United Nations General Assembly; the Advisory Committee, in accordance with its terms of reference, has considered the WIPO estimates for 1980-1981.

1. Biennial programme and budget for 1980 and 1981

135. The competent Governing Bodies of WIPO have unanimously adopted a resolution providing for the provisional application, until 1985, of a system of biennial budgets 7/ 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.

7/ 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.

/...

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

137. The expenses common to the Unions are met from assessments on the Unions in accordance with a scale established by the governing bodies. ^{8/} Further, the Union for the Protection of New Varieties of Plants (UPOV), which has a separate administration, ^{9/} 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".

138. 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

139. 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. 1980 against 1979 and 1981 against 1980. As can be seen from the tables below a distinction is made (for the first time) between Programme activities (PRG) and Registration activities (REG). According to WIPO the substantive or programme activities serve two aims:

(a) To maintain and spread throughout the world - both in developed and in developing countries - the protection of intellectual creations;

^{8/} The Governing Bodies of WIPO and the Unions administered by WIPO are the intergovernmental organs referred to in foot-note to paragraph 135 above and also the WIPO Co-ordination Committee and the Executive Committees of the Paris and Berne Unions.

^{9/} 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.

(b) To make a particular contribution to the development process in developing countries in the field of intellectual property.

WIPO classified "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).

140. 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 1980 and 1979 budgets

141. The following table analyses cost increases/decreases and activity increases from 1979 to 1980 by type of activity.

Thousands of Swiss Francs

Major activities	(A)	(B)	(C)		(D)		(E)	(F)
	1979 a/ Budget	1980 Programme costed at same cost rates as 1979 budget	(B)	- (A) %	Cost variation	%	1980 Programme Costed at the rate of costs applicable for 1980 (B) + (D)	Percentage of expenses in total draft budget for 1980
Programme (PRG)	13 978	14 232	254	+1.8	(312)	-2.2	13 920	46.9%
Registration (REG)	11 416	13 791	2 375	+20.8	(179)	-1.6	13 612	45.9%
Governing Bodies and Management (DIR)	1 887	1 817	(70)	-3.7	(49)	-2.5	1 768	6.0%
Union for the Protection of New Varieties of Plants (UPOV)	354	366	12	+3.4	(8)	-2.3	358	1.2%
TOTAL	27 635	30 206	2 571	+9.3	(548)	-2.0	29 658	100.0%

a/ WIPO expenditure in 1979 was not organized along these lines - figures have been reconstructed.

142. The total expenses in the budget proposed for 1980 amount to 29,658,000 Swiss francs (\$17,143,352), an increase of 2,023,000 Swiss francs (\$1,169,364), or 7.3 per cent, over the expense budget for 1979.

143. The 7.3 per cent increase in the 1980 estimates over 1979 reflects a 9.3 per cent programme increase partially offset by a 2 per cent cost decrease.

144. The 2 per cent cost decrease is due mainly to the fact that staff costs for 1980 have been calculated, in the light of experience, at a lower level than they were in the 1979 budget. Except in the case of printing, no provision for cost increases is included in the budget for 1980. WIPO has indicated that, if cost increases cannot be absorbed through economies or from the reserve funds, supplemental contributions may become necessary.

145. The 9.3 per cent increase in activities is made up of the following:

(a) An increase of 0.9 per cent in Programme (PRG) activities, mainly due to the holding of the Diplomatic Conference for the Revision of the Paris Convention;

(b) An increase of 8.6 per cent in Registration (REG) activities, mainly due to the expected increase (by over 100 per cent) in the number of international patent applications filed under the PCT;

(c) A small decrease of 0.2 per cent in other activities.

4. Comparison between 1981 and 1980 budgets

146. 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)	13 920	14 171	251	+1.8	202	+1.5	14 373	45.9%
Registration (REG)	13 612	14 350	738	+5.4	278	+2.0	14 628	46.7%
Governing Bodies and Management (DIR)	1 768	1 910	142	+8.0	27	+1.5	1 937	6.2%
Union for the Protection of New Varieties of Plants (UPOV)	358	386	28	+7.8	2	+0.5	388	1.2%
TOTAL	29 658	30 817	1 159	+3.9	509	+1.7	31 326	100.0%

...

147. The total expenses in the budget proposed for 1981 amount to 31,326,000 Swiss francs (\$18,107,514), an increase of 1,668,000 Swiss francs (\$964,162), or 5.6 per cent, over the expenses budget for 1980.

148. The 5.6 per cent increase in the 1981 estimates over 1980 reflects a 3.9 per cent programme increase and a 1.7 per cent cost increase.

149. 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.

150. The 3.9 per cent increase in activities is made up of the following:

(a) An increase of 0.8 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 0.6 per cent mainly due to the holding of the ordinary sessions of the Governing Bodies of WIPO in 1981.

5. Staff

151. The total number of posts in the 1979 budget was 205. Twenty-four new posts have been approved for 1980 (8 Professional, 16 General Service) and a further 13 (1 Professional and 12 General Service) for 1981.

152. According to WIPO the increase in Programme Activities staff 10/ is mainly due to the need to remedy present understaffing. 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, since 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. 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 thus showing 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.

153. Staff increases for Registration Activities are also attributed by WIPO to understaffing 11/ and to the expected substantial increase in the number of

10/ Two posts in PRG items and the equivalent of five posts distributed from Support Activities in 1980; one post in PRG items and the equivalent of two posts distributed from Support Activities in 1981.

11/ Two posts in REG items in 1980.

international patent applications filed under the International Patent Co-operation Union (PCT). 12/ The budget for 1979 was based on an estimate of 1,000 international patent applications under the PCT. The budget for 1980 is based on an estimate of 2,100 applications (+110 per cent) and the budget for 1981 on an estimate of 3,200 applications (+220 per cent against 1979; +52 per cent against 1980).

6. Extension of the use of certain languages

154. 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 Director-General of WIPO had made suggestions for the extended use of those four languages as working languages of WIPO. Those suggestions would have entailed the creation of seven new posts as from 1980 and resulted in additional budget needs of 800,000 francs per year to be covered from the budgets of the Paris and Berne Unions. The Governing Bodies of WIPO decided that only a yearly amount of 400,000 francs 13/ would be added to the budget for 1980 and 1981 but that the Director-General was authorized to spend not more than an additional yearly amount of 400,000 francs in 1980 and 1981 for the said extension from monies saved, if any, on other items of the budgets of the Paris and Berne Unions for the years 1980 and 1981.

155. It is to be noted that the competent Governing Bodies of WIPO have decided that interpretation for the Revision of the Paris Convention would be provided in five languages instead of four as was proposed in the draft programme and budget for 1980 and that an additional amount of 95,000 francs 14/ would be added to the Paris Union budget for that purpose in 1980.

7. Acceptance of the statute of the Joint Inspection Unit

156. The Governing Bodies of WIPO decided that, unless the WIPO General Assembly decided otherwise at its 1981 session, WIPO would accept the statute of JIU with effect from 1 January 1982, and that the Director-General should prepare, for the 1981 session of the General Assembly, a detailed report on the tasks, composition and accomplishments of JIU.

12/ Eleven posts in REG items and the equivalent of four posts distributed from Support Activities in 1980; six posts in REG items and the equivalent of four posts distributed from Support Activities in 1981.

13/ 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 not included in the introductory table or in paras. 135-153 above.

14/ Not included in the introductory table or in paras. 135-153.

L. International Atomic Energy Agency

	\$
Proposed regular budget for 1980	80,643,000
Adjusted regular budget for 1979	<u>65,177,000</u>
Increase	15,466,000
	23.7 per cent

157. The Advisory Committee discussed the budget of the International Atomic Energy Agency (IAEA) for 1980 and other related matters with representatives of the Director-General.

158. 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 1980 budget relates to the second year of the period 1979-1980 for which detailed plans were presented last year within the Agency's programme of work for 1979-1984. The budget under discussion was reviewed by the Board of Governors in June 1979 and will be presented to the General Conference at its twenty-third regular session in December 1979.

159. The IAEA's activities are financed from two main sources, namely, the "regular budget" and the "operational budget". In addition, the Agency has extrabudgetary resources.

1. Format and programme trends

160. The structure and presentation of the budget of IAEA for 1980 remain essentially the same as in the Agency's programme for 1979-1984 and budget for 1979. However, the representatives of the Director-General have pointed out two new features:

(a) As a further step towards the objective of showing in all cases the full costs attributable to each programme, an attempt has been made to allocate the costs of conference services and long-distance telephone calls to programmes based on usage;

(b) Estimates of costs of services performed for other organizations have been segregated under a programme entitled "R. Cost of work for others" (see table following para. 165 below); this programme will be financed entirely from miscellaneous income earned through the provision of common services at the Vienna International Centre.

161. The representatives of the Director-General, indicated that the estimates for 1980 have been considerably influenced by (a) substantial increases due to inflation, (b) a further decrease in the United States dollar-Austrian schilling exchange rate, and (c) the expense of operating the permanent headquarters at the Vienna International Centre - all of which factors are largely beyond the Agency's control. In the circumstances, stringent economy measures had been taken in all areas where control could be exercised so as to keep the total budget increase within acceptable limits. For example, the estimates for consultancy services, overtime, temporary assistance and technical committees and advisory groups were below the 1979 adjusted budget levels; the same was true for projected travel expenses for all major areas except technical assistance and safeguards. Furthermore, the number of technical committee and advisory group meetings and of conferences and symposia had been reduced well below the 1979 level.

162. The Committee inquired into the Agency's planned economy measures in the area of publication activities and meetings. The representatives of the Director-General explained that it was decided:

(a) To discontinue the production of papers to be presented at conferences and symposia - instead, only extended summaries will be provided for participants;

(b) To limit the number of three-hour sessions at one-week conferences and symposia to eight in order that additional teams of interpreters need not be hired;

(c) To apply strictly the rule that interpretation into a given working language should be provided only when the Agency has been notified, at least six weeks before the date of the meeting in question, that persons requiring such interpretation would be attending the meeting;

(d) To strengthen the role of the Agency's Publications Committee in screening manuscripts from the point of view of their quality and their usefulness to member States;

(e) To reduce the extent of free distribution of Agency publications.

2. Regular budget

163. The proposed regular budget of IAEA for 1980 amounts to \$80,643,000, an increase of \$15,466,000 or 23.7 per cent over 1979. It is based on an exchange rate of 15.05 Austrian schillings to the United States dollar in order that it can be compared directly with the adjusted budget for 1979, which is also based on that rate. Because of a further decrease in the dollar exchange rate, however, an amount of \$9,067,000 has been included in the regular budget for 1980 under the heading "Adjustment of programme cost estimates"; this adjustment is based on an estimated average exchange rate of 12.90 schillings to the dollar throughout 1980.

164. The net increase of \$15,466,000 in the 1980 budget as compared with the budget level of \$65,177,000 in 1979 is attributed by IAEA to the following:

Price increases

(a) Price increase due to inflation . . .	\$4,500,600	or 6.9 per cent
(b) Price increase due to currency fluctuations	<u>\$9,067,000</u>	<u>or 13.9 per cent</u>
Subtotal	\$13,567,600	or 20.8 per cent

Programme changes

(c) Agency's transfer to and operation of its permanent headquarters at Vienna International Centre (net cost)	\$1,216,000	or 1.9 per cent
(d) Read programme growth (net)	<u>\$ 682,400</u>	<u>or 1.0 per cent</u>
Subtotal	\$1,898,400	or 2.9 per cent
Total	<u>\$15,466,000</u>	<u>or 23.7 per cent</u>

165. The following table gives a breakdown of the IAEA regular budget estimates for 1980 by programme with comparative figures for the 1979 adjusted budget.

IAEA regular budget programme	<u>1979</u> <u>Adjusted</u> <u>budget</u>	<u>Price</u> <u>increase</u>	<u>Programme</u> <u>increase</u> <u>(decrease)</u>	<u>Total</u> <u>change</u>	<u>1980</u> <u>Estimate</u>
	\$	\$	\$	\$	\$
A. Technical assistance and training	2 857 000	221 000	119 000	340 000	3 197 000
B. Nuclear power and reactors	3 660 000	163 000	(378 000)	(215 000)	3 445 000
C. Nuclear safety and environmental protection	4 838 000	380 000	(38 000)	342 000	5 180 000
D. Nuclear explosions for peaceful purposes	226 000	13 700	(44 700)	(31 000)	195 000
E. Food and agriculture	3 343 000	279 000	(164 000)	115 000	3 458 000
F. Life sciences	2 492 000	185 000	10 000	195 000	2 687 000
G. Physical sciences	5 181 000	418 000	(190 000)	228 000	5 409 000
I. International Centre for Theoretical Physics . . .	710 000	87 000	104 000	191 000	901 000
J. International Laboratory of Marine Radioactivity . . .	696 000	178 700	40 300	219 000	915 000
K. Safeguards	16 795 000	1 132 000	1 469 000	2 601 000	19 396 000
L. Information and technical services	4 017 000	142 200	(234 200)	(92 000)	3 925 000
M. Policy-making organs	2 240 000	150 000	(106 000)	44 000	2 284 000
N. Executive management and technical programme planning	1 309 000	92 000	(10 000)	82 000	1 391 000
O. Administration	6 430 000	351 000	105 000	456 000	6 886 000
P. General services	5 217 000	485 000	(1 603 000)	(1 118 000)	4 099 000
Pl. Permanent headquarters operating costs	2 120 000	210 000	4 170 000	4 380 000	6 500 000
R. Cost of work for others	780 000	13 000	915 000	928 000	1 708 000
S. Transfer of the Agency to its permanent headquarters	2 266 000	-	(2 266 000)	(2 266 000)	-
T. Adjustment of programme cost estimates	-	9 067 000	-	9 067 000	9 067 000
Total regular budget	65 177 000	13 567 600	1 898 400	15 466 000	80 643 000

166. As indicated in the above table, price increases in the proposed budget for 1980 amount to \$13,567,600 or 87.7 per cent of the total increase of \$15,466,000. According to the representatives of the Director-General, the price increase due to inflation, \$4,500,600, is based on an expected cost-of-living increase of 6.9 per cent. The price increase due to currency fluctuations, \$9,067,000, represents the dollar cost to the Agency's budget of the appreciation of the Austrian currency from the rate of 15.05 schillings to the United States dollar used in the 1979 budget to the estimated average rate of exchange of 12.90 Austrian schillings to the United States dollar used in the 1980 budget.

167. The net additional cost of \$1,216,000 associated with the IAEA's transfer to, and operation of, its permanent headquarters at the Vienna International Centre referred to in paragraph 164 above, was calculated as follows:

	\$
(a) Increases related to the first full year operation of the Vienna International Centre	4,170,000
(b) Costs of common services which the Agency will perform for and be reimbursed by the United Nations	<u>915,000</u>
Subtotal (a) and (b)	5,085,000
(c) <u>Less</u> reductions in general services related to the temporary headquarters which will not be operated in 1980	(1,603,000)
(d) <u>Less</u> the cost of equipping the Centre for which no additional funds are provided in 1980	<u>(2,266,000)</u>
<u>Less</u> subtotal (c) and (d)	<u>(3,869,000)</u>
Net increase	<u><u>1,216,000</u></u>

The Advisory Committee notes in connexion with the above that, if the Agency used the same methodology as the United Nations, item (d) would be regarded as non-recurring.

168. With regard to the real programme growth of \$682,400 indicated in paragraph 164 above, this is a net amount reflecting increases in some programmes and reductions in others. As can be seen from the table following paragraph 165 above, six of the programmes have increases totalling \$1,847,300, of which \$1,469,000 or 79.5 per cent is earmarked for the Safeguards programme. On the other hand, eight of the programmes have reductions totalling \$1,164,900.

3. Staff

169. The number of established posts for 1978 and 1979 and proposed for 1980 are as follows:

<u>IAEA</u>	<u>1978</u> <u>Adjusted</u>	<u>1979</u> <u>Adjusted</u>	<u>1980</u>	<u>1980/1979</u> <u>increase (decrease)</u>
Director-General . . .	1	1	1	-
Deputy Director-General/ Inspector General . .	5	5	5	-
Director	21	21	21	-
P-5	121	133	138	5
P-4	189	215	223	8
P-3	125	144	153	9
P-2	42	39	41	2
P-1	12	11	10	(1)
Subtotal . . .	516	569	592	23
General Service	690	718	756	38
Manual and operative .	168	168	80	(88)
Total	<u>1,374</u>	<u>1,455</u>	<u>1,428</u>	<u>(27)</u>

170. As can be noted in the above table, the 1,428 established posts proposed for 1980 (592 Professional and above, 756 General Service and 80 Manual and Operative) show increases of 23 Professional and 38 General Service posts and a decrease of 88 Manual and Operative posts. The largest increase (19 Professional and 21 General Service posts, or 40 in all) is in the Safeguards programme. The 21 other additional posts, of which 17 are General Service, are requested primarily for areas where the Agency has responsibility for common services and also for the Division of Budget and Finance. The reduction in Manual and Operative staff relates largely to guards, maintenance, and cleaning personnel, who will either be transferred to United Nations units in the Vienna International Centre since the organization will be responsible for the common services using such staff or terminated since cleaning will be done by outside contractors.

4. Operational budget

171. In addition to its regular budget, IAEA has an operational budget financed principally from voluntary contributions to the General Fund and from special and direct contributions. The operational budget of the Agency consists of Operating Fund I and Operating Fund II.

172. Under Operating Fund I the Agency receives contributions towards the operation of two facilities: the International Centre for Theoretical Physics located in Trieste, Italy, and the International Laboratory of Marine Radio-activity located in Monaco. The estimated resources for 1980 from such contributions are \$1,370,000 as compared to \$1,285,000 for 1979. In addition, these two facilities will receive support from the regular budget in an estimated amount of \$1,816,000 in 1980 as compared to \$1,406,000 in 1979.

173. Operating Fund II is for technical assistance activities in the form of expert services, equipment, fellowships and training. It is financed almost entirely from voluntary contributions made by Member States to the General Fund. Each year a target is established by the General Conference on the basis of a recommendation made by the Board of Governors. The Board of Governors in June 1979 recommended a target for voluntary contributions in 1980 of \$10.5 million as against \$8.5 million in 1979.

5. Extrabudgetary resources

174. The Agency's extrabudgetary resources in 1980 are estimated at \$10,937,000 (excluding contributions in kind), as compared to \$11,734,000 in 1979 and \$7,035,810 in 1978 (actual obligations). UNDP is the major expected source of funding (\$6 million). The programmes which will receive most of the extrabudgetary funds are technical assistance and training (\$8,252,000), safeguards (\$1,653,000) and food and agriculture (\$441,000).

6. Transfer to the permanent headquarters

175. The representatives of the Director-General informed the Advisory Committee that the IAEA would move to its permanent headquarters at the Vienna International Centre in October 1979. The agency will occupy Towers A-1 and A-2 (with a net floor space of 50,000 square metres), and will bear all the costs of operating them. The Agency will also occupy, in part, and utilize the conference building (with 30,000 square metres of net floor space), and the two common services buildings (with 60,000 square metres of net floor space). According to the representatives of the Director-General, the costs of operating the common services buildings will be shared on an approximately 50:50 basis by IAEA and the United Nations.

176. The IAEA budget for 1980 provides \$6.5 million for the operating costs at the Vienna International Centre (see table following para. 165 above). A breakdown by major cost components and by buildings is given below:

<u>IAEA estimate for operating costs at the Vienna International Centre in 1980</u>	<u>Office buildings</u>	<u>Conference and common services buildings</u>	<u>Total</u>
	\$	\$	\$
Electricity	700,000	729,000	1,429,000
Heating and cooling	770,000	488,000	1,258,000
Maintenance and supplies	743,000	686,000	1,429,000
Cleaning	711,000	392,000	1,103,000
Building management staff	340,000	326,000	666,000
Security staff	352,000	263,000	615,000
	<u>3,616,000</u>	<u>2,884,000</u>	<u>6,500,000</u>

In this connexion, the representatives of the Director-General pointed out that the above estimates, which relate to the first full year of operation at the Vienna International Centre, had been prepared without the benefit of actual operating experience. They had been reviewed, however, by ad hoc groups of experts selected by the Board of Governors. The experts' conclusion, which had been accepted by the Board, was that the best course would be to retain the estimate of \$6.5 million and to test it against experience over the next year or two. The Advisory Committee was also informed that negotiations were still proceeding between the organizations and the Austrian authorities as regards responsibility for certain aspects of major maintenance.
