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EXECUTIVE BOARD

SUMMARY RECORD OF THE HUNDRED AND THIRTY-SECOND MEETING

Held at Headquarters, New York,
on Friday, 17 September 1954, at 10.45 a.m.

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PRESENT:

<u>Chairman:</u>	Mr. LINDT	Switzerland
<u>Members:</u>	Mr. GALVEZ	Argentina
	Mr. CUTTS	Australia
	Mr. LHOIR	Belgium
	Mr. DA MOTA	Brazil
	Mrs. SINCLAIR	Canada
	Mr. TSAO	China
	Mr. RYBAR	Czechoslovakia
	Mr. GALLEGOS	Ecuador
	Mr. BUGNARD)	France
	Mr. AMANRICH)	
	Mrs. TSALDARIS	Greece
	Mr. RAJAN	India
	Mr. UMARI	Iraq
	Mrs. HARMAN	Israel
	Miss CAO PINNA	Italy
	Mr. SOLLI	Norway
	Mr. CALLE CALLE	Peru
	Mr. GARCIA	Philippines
	Mr. BUNCHOEM	Thailand
	Mr. KRIVITSKY	Union of Soviet Socialist Republics
	Mr. BARNES	United Kingdom of Great Britain and Northern Ireland
	Mr. MULLIKEN	United States of America
	Mr. KOS	Yugoslavia

Also present: Mr. FENAUX Chairman of the Committee on
Administrative Budget

Representatives of specialized agencies:

Dr. VAN VEEN)	Food and Agriculture Organization (FAO)
Dr. WORK)	
Dr. COIGNY)	World Health Organization (WHO)
Mrs. MEAGHER)	

Representatives of non-governmental organizations:

	Mrs. FREEMAN	NGO Committee on UNICEF
<u>Category B:</u>	Mrs. KADANE	Consultative Council of Jewish Organizations
	Miss GUTHRIE	International Alliance of Women
	Mr. GAGNON	International Catholic Child Bureau
	Mrs. FREEMAN	International Council of Women
	Mrs. WALSER	Women's International League for Peace and Freedom
	Mr. JACOBY	World Jewish Congress
	Mrs. ZIZZANIA)	World Union of Catholic Women's Organizations
	Mrs. SCHAEFER)	

United Nations Secretariat:

Miss BRANSCOMBE Department of Social Affairs

UNICEF Administration:

Mr. PATE	Executive Director
Mr. HEYWARD	Deputy Executive Director
Dr. BORCIC	Deputy Executive Director
Mr. DAVEE	Director, Latin America Regional Office
Mr. EGGER	Director, Africa, Europe and Eastern Mediterranean Regional Office
Mr. KEENY	Director, Asia Regional Office
Dr. MARTI	Chief, Africa Area Office
Mr. CHARNOW	Secretary of the Board

REPORT OF THE COMMITTEE ON ADMINISTRATIVE BUDGET (E/ICEF/L.594)

Mr. FENAUX (Chairman of the Committee on Administrative Budget) submitted the Committee's report on its seventeenth session (17-18 May 1954) and on its extraordinary meetings of 17 and 18 March 1954, which had been devoted to an exchange of views on the organizational structure of the UNICEF Administration and the deployment of staff.

At the March meetings the Committee had undertaken a kind of clinical examination of the Administration's operation and had indulged in some self-criticism. Those meetings had been deliberately informal, no records or report had been prepared and no resolutions adopted, but they had nevertheless proved useful and conclusive both to the Committee members and to the various branches of the Administration. The Regional Directors had been present. It had become quite clear that the UNICEF Administration was operating remarkably well - although there was room for some improvement - and that its future must be safeguarded by affording relief to senior staff. A good administration, whose efficiency depended mainly on experience and continuity, could not be improvised. That, moreover, was the feeling which prevailed in the organs of the United Nations, as had been shown by the discussions in the Fifth Committee, and it was also the feeling of the Secretary-General himself.

Prompted by its concern for those matters, the Committee had approved such measures as the establishment of a second post of Deputy Executive Director and had expressed the view that the application of the basic principle of geographical distribution in the recruitment of personnel must not prejudice the quality of the staff recruited.

Paragraph 7 of the Committee's report, concerning the 1953 financial year, dealt with the policy pursued in financing plans of operations, under which UNICEF's aid was spread over several financial years in order to ensure the continuity and completion of projects started and at the same time to induce Governments to make longer-range commitments.

Paragraph 10 indicated the magnitude of internal matching by Governments, thereby meeting the requirements of those delegations which had shown the importance they attached to the matching principles. Paragraphs 13 and 14

set forth the respective proportions of expenditures for assistance, for operational services and for administrative costs. The Committee naturally took the view that UNICEF should give a maximum of assistance and expend a minimum of its funds on administrative costs. Furthermore, the average expenditure on administrative and operational services seemed low when distributed over the period between the setting up of the Fund and 1953, but in recent years it had shown a definite upward trend. That increase was undoubtedly due to the development of UNICEF's activities but not to curb it would be dangerous. The Fund's reputation for good management, which was so often cited as an example, was certainly largely the result of efficient administration and budgeting. It was reasonable, however, to make the necessary distinction between administrative service and operational service expenditures. In that respect the Fund would benefit from the examination which the Advisory Committee intended to undertake of administrative and budgetary questions relating to all United Nations programmes financed from extra-budgetary funds.

Subject to those observations, the Committee recommended that the Executive Board should approve the estimated administrative and operational services budget for 1955 set forth in paragraph 22 of the report. Moreover, there was reason to hope that the forthcoming review of the structure of the UNICEF Secretariat would lead to a reduction in the budgetary estimates for 1955 and to a reduction in administrative service and operational service expenditures. In that connexion the Committee considered it desirable that the Chairman of the Executive Board should be consulted at an appropriate stage in that survey, and it asked the Board to support that view, as no one was better qualified than its Chairman to justify the existence of the Fund, and to emphasize its needs and eminently humanitarian aims, of which some experts in administrative and budgetary matters were not always aware.

With reference to contingencies, it was pointed out in paragraph 17 of the report that a balance of \$8,900 remained in the Administrative Contingency Fund of 1954, which had originally amounted to \$100,000. The difference had been used for the additional procurement of supplies and for the remuneration of

additional staff, and also for the acquisition of electric accounting equipment and for other expenses caused by the mechanization of accounts at Headquarters. In that connexion it should be pointed out that the Administration was unfortunately faced with the necessity of making provision for the end of 1954 for the reimbursement of national income tax payable by the senior officials who were United States citizens. In order to meet that situation it might be necessary to ask the Board to pay an additional amount for contingencies into the Administrative Contingency Fund before the end of the year. It seemed, however, that those expenditures might be covered by drawing on funds set aside for other items. At all events, it was for the Board to authorize the Committee to approve the opening of credits for the reimbursement of 1954 national income tax.

Paragraph 28 of the report referred to the Executive Director's remark that many of the programmes at present being planned might set a pattern within countries for the next ten to twenty years or more. The responsibility placed upon UNICEF was therefore a heavy one, and staffing must be adequate to meet the need.

Mr. BARNES (United Kingdom) recalled that the United Kingdom and United States delegations in the Committee on Administrative Budget had not shared the other members' opinion on the question of the budgetary recommendations for the 1955 financial year. His delegation's views, summarized in paragraph 30 of the Committee's report (E/ICEF/L.594), had not changed. It attached great importance to the question of UNICEF's administrative expenses and was concerned that the good reputation for economical administration which UNICEF had acquired might be jeopardized by the trend of increasing administrative expenditure. It felt, therefore, that it was essential to achieve all possible economies of staffing and streamlining of procedure. He particularly stressed two considerations, namely: (1) that the work load which at present fell on the top levels of the administrative staff could be diminished by delegating to the Regional Offices some of the detailed work at present done in the Programme Division, and (2) that in view of the forthcoming reorganization of the structure

of the United Nations Secretariat, which would include a survey of the administrative organization, the staffing and work load of the UNICEF Administration (E/ICEF/L.590, paragraph 1), the Executive Board should, pending the issue of the Secretary-General's report, not authorize any increases in staff which were not of vital urgency.

Mr. KOS (Yugoslavia) said that although the administrative and operational budget estimates for 1955 were higher than those for 1954, they remained within the 10 per cent limit of the total expenditure of the Fund. The increase in the number of programmes and their extension to new regions, including Africa, had automatically led to an increase in administrative costs. The important fact was that UNICEF was obtaining first-class results throughout the world and that its action was particularly effective. The administrative costs could easily be lowered, the largest possible cuts made in UNICEF staff and the work done by correspondence, but it was doubtful whether in that case the results would be as good as they were at present. Furthermore, personal contacts between the representatives of the Administration and the local authorities made it possible to prepare work in greater detail, thereby avoiding errors which might prove very costly. The Yugoslav delegation accordingly did not consider that the proposed administrative costs for 1955 could be reduced. In comparison with those of other United Nations agencies, the expenses of UNICEF were still very low. He was able to state from his own personal experience that the Administration always saw to it that no additional expenditure, likely to cause a decrease, however small, in the funds assigned to improving the condition of children throughout the world, would be undertaken.

Mr. UMARI (Iraq) was convinced that the administrative staff of UNICEF would have to be increased. In the Committee on Administrative Budget, his delegation had carefully examined the proposals made to that effect and had approved them. That increase in staff, particularly in the higher grades, was justified by the fact that the Fund was no longer on a temporary organization established to deal with certain emergency situations, but had been set up on a permanent basis.

Mr. GARCIA (Philippines) fully agreed that the administrative costs of UNICEF should be kept as low as possible. On the other hand, if too much were done in that direction, the success of the programmes might be endangered. As could be seen in the Philippines, the Fund used an extremely small staff to carry out a tremendous task. His delegation would therefore approve the proposed increase, which it considered necessary.

Mr. MULLIKEN (United States of America) maintained the attitude adopted by the United States delegation in the Committee on Administrative Budget. The United States delegation maintained its reservations as to the amount of the administrative and operational budget estimates approved by the Committee. It expressed the hope that stronger efforts would be made to cut down administrative expenditures in the interests of providing services to the children of the world.

Mr. TSAO (China) wished to point out that the situation had changed. In the early days of UNICEF, administrative costs had not exceeded 5 per cent of the total budget, but the revenue of the Fund at that time had been proportionately higher than at present and further, the programmes had been far fewer. Taking into account the scope of current programmes and the resources available to UNICEF, it might be said that administrative costs were still quite low. Furthermore, the type of assistance given by the Fund had changed. At the outset it had taken the form of emergency aid in food and clothing, but now it included health programmes and maternal and child welfare programmes, the preparation of which required much more detailed study by the Administration. The increase in administrative costs was therefore fully justified and his delegation would approve it.

Mrs. SINCLAIR (Canada) said that the Canadian delegation had been favourably impressed by the Administration's efforts to keep administrative costs as low as possible. It should be stressed that the United Nations had entrusted UNICEF with the task of helping children throughout the world. To do that

adequately staff must be located in many areas and must be able to travel. To spend the Fund's resources properly, there must be staff available to assist Governments in planning and executing projects. It was poor policy to economize at the expense of the Fund's efficiency.

One possible solution would be an increase in contributions from Governments. If they were raised by 20 per cent, for example, UNICEF would have larger sums at its disposal and its administrative costs would not increase proportionately.

Mr. PATE (Executive Director) explained in that connexion that he would endeavour in the year ahead to collect a sum equivalent to the \$20,000,000 which the Board had set itself as a target.

Mr. CUIITS (Australia) agreed that the trend towards increased administrative expenses ought to be either arrested or slowed down, but to decrease those expenses might hamper the efficient operation of UNICEF. As the representative of China had pointed out, the increase in those expenses was justified by the scale on which the Fund's activities were being carried out. It might be better to examine how far contributions from Governments could be increased than to dwell on the tendency to an increase in administrative costs. With regard to the division of labour between Headquarters and the regional offices, suggested by the United Kingdom representative, he agreed with the view of the Committee on Administrative Budget, which had not approved that solution.

It must also be noted that 45 per cent of the administrative budget was devoted to operational services. That 45 per cent was devoted to the welfare of children. He hoped that administrative costs would diminish, though in the present state of affairs it would not be advisable to reduce them, and he agreed with the representative of Canada that contributions from Governments might be increased.

Mr. AMANRICH (France) said that the operation and structure of the Administration and the budget estimates for 1955 had been most carefully studied by the Committee on Administrative Budget. That Committee had scrupulously respected the principle of economy, while endeavouring to ensure that the Administration should operate as efficiently as possible.

Furthermore, the experience acquired by the French delegation in many United Nations bodies enabled it to state that the administration of UNICEF compared very favourably with that of those bodies. It would accordingly approve the recommendations in the report of the Committee on Administrative Budget, especially those in paragraphs 22, 24 and 27.

Mr. UMARI (Iraq), quoting as an example the anti-yaws campaign in South-East Asia, pointed out that the results obtained by the Fund in various countries were truly remarkable. UNICEF had been able to assist millions of children and all possible means of continuing its work must be made available to it. Modern science had discovered miraculous remedies for disease, but UNICEF had performed another miracle in that it had extended the benefits of those remedies to millions of persons. The representative of France had made it clear that the Administration was operating most efficiently. He would therefore approve the increase in administrative costs.

Mrs. CAO PINNA (Italy) also approved the increase proposed in paragraph 32 of the report. In view of the number of persons who benefited from UNICEF programmes, the increase in administrative costs was fully justified.

Mrs. SINCLAIR (Canada) said that the term "principal" used in paragraph 7 might be misleading as it suggested that UNICEF was attempting to set up a reserve fund rather than to spend the funds which it received.

Mr. HEYWARD (Deputy Executive Director) said that the term "principal" had been drawn from the balance sheet appearing in the Financial Report of UNICEF (E/ICEF/261 and Corr.1) approved by the Board of Auditors. An effort would be made to find a more satisfactory term. However it might be, the purpose of the paragraph was to explain why at the end of a given financial year there should be a surplus of assets over liabilities representing mainly assistance allocated to projects but not yet delivered.

The CHAIRMAN said that the report would contain a summary of the statements of representatives. The discussion had clearly demonstrated how anxious the Board was to keep administrative expenses as low as was compatible with the efficient functioning of the Fund.

He proposed that the recommendation in paragraph 22 of the report of the Committee on Administrative Budget should be adopted.

The recommendation was adopted.

The CHAIRMAN proposed that the authorization mentioned in paragraph 39 of the introduction of the progress report of the Executive Director (E/ICEF/267/Add.1) should be granted.

That authorization was approved.

The CHAIRMAN, on behalf of himself and of the representatives thanked Mr. Fenaux for his excellent statement on the activities of the Committee on Administrative Budget.

REPORT OF THE PROGRAMME COMMITTEE: SECTION III

Mr. RAJAN (India) (Chairman, Programme Committee) presented section III of the report of the Programme Committee which dealt with recommended apportionments not involving new funds and also with the financial relations with FAO and WHO.

Mr. CUTTS (Australia) pointed out, in connexion with projects jointly assisted with FAO and WHO, that the Programme Committee had merely decided that UNICEF Administration should consult the two specialized agencies with a view to the adoption of a uniform term; thus it might be better to replace the word "division" in the last sentence of paragraph 8 of the report by the word "terminology".

It was so decided.

Section III of the report of the Programme Committee was approved.

Mr. RAJAN (Chairman of the Programme Committee) introduced the summaries of programme recommendations by the Executive Director, which had been approved by the Programme Committee (E/ICEF/L.683/Rev.1). He drew the Executive Board's attention to document E/ICEF/689, showing the resources available for allocation. If all the apportionments out of new funds (E/ICEF/L.683/Rev.1, page 3) were approved, there would be an unallocated balance of \$1,229,665 at the end of the present session.

The Programme Committee therefore recommended that all those apportionments should be approved by the Executive Board.

The recommended apportionments were approved.

Mr. LHOIR (Belgium) said that his delegation had been happy to signify its complete agreement with all the Programme Committee's recommendations. He took the opportunity of paying tribute to the Committee, whose work had been marked by a high degree of impartiality and by the greatest generosity for all countries which requested UNICEF's assistance. He also expressed his appreciation of, and admiration for, all the members of the Administration, especially the Executive Director, his immediate assistants and the Directors of the Regional Offices, who were working with unflagging devotion. The Belgian delegation welcomed the fact that UNICEF's programmes had been expanded: besides the emergency assistance for which it had been established, UNICEF was now working to control the main endemic diseases and to improve the living and health conditions of large numbers of people.

The Belgian delegation wished to express certain views which implied no criticism but were merely evidence of its desire that UNICEF's work should be even further improved. Of course, UNICEF's aim was to work for children, not to submit reports; however, it would help the Executive Board and all those interested in the Fund's work if they could have available a general picture, of a human and living kind, of conditions in the countries which requested the Fund's assistance, a survey of the projects proposed and an outline of any problems arising after the Fund's intervention. In that connexion, he emphasized the importance of the visit that had been made by members of the Programme Committee to five Central American countries. They had seen UNICEF's

achievements at first hand and had thus been able to make a detailed and moving report on the situation to the Executive Board. It would be well if directors of regional offices could submit similar reports to the Executive Board in future.

It would also be of advantage if the Administration would prepare documents and tables indicating, for each country assisted, the total number of inhabitants involved and of direct recipients of UNICEF supplies. Further, in view of the humanitarian nature of the Fund's work, the value of observations such as those made by the representative of Iraq with regard to the situation of illiterates in the Eastern world could not be over-emphasized. In short, it should be borne in mind that the Executive Board's view of the importance of a programme depended on the need for the programme and on the extent and the continuity of results among other considerations.

Having expressed its congratulations and its views, the Belgian delegation wished to raise a number of questions, not in order that they might be answered but so that they might be borne in mind by all. In the enthusiasm of the assistance generously granted to suffering peoples, was it always absolutely certain that the great fundamental principles of UNICEF were and would continue to be applied? The question did not arise from any systematic scepticism on his part. With regard to relations with the specialized agencies, it had been said on many occasions that there was complete co-operation, especially with WHO and FAO; and the Belgian delegation was sure of that. But did that co-operation go deep enough, or was it not sometimes merely superficial? In that connexion, the question of the reimbursement of expenditure by one organization to another should be settled, and agreement reached on the question of joint programmes, as soon as possible. It was understood that UNICEF took no action without where necessary requesting the technical advice of FAO or of WHO on matters which came within their competence. That was merely a matter of consultation, involving little time or expense. But in some cases things were very different. Supposing, for example, a request for assistance came from a country with a great and chronic food deficiency. WHO was consulted to ascertain whether anything could be done to counteract the effects of the deficiency on the victims, and how much milk or other products were necessary

to put a temporary stop to the situation; and FAO was consulted in order to ascertain whether the country could produce enough foodstuffs, what crops should be encouraged, and so forth. If WHO decided to assist in setting up health centres for the cure and prevention of the effects of food deficiency, if FAO decided to take part in order to encourage the introduction of new crops and the selection of livestock, and if UNICEF, for its part, decided to launch a long-term food campaign, that would be a genuine joint programme, and it would be the duty of each agency to finance its own part of the programme. That example impelled Mr. Lhoir to ask the following question: did UNICEF take all necessary steps, in such cases, to ensure that the health centres which had been set up continued to function and that food resources were definitely augmented, in order to prevent the return of the evil it had been hoped to remedy? The same question obviously arose in connexion with maternal and child welfare, the control of endemic diseases etc.

According to a basic principle of UNICEF, every Government which received assistance undertook to continue the Fund's work after the agreed programme had been carried out. Was it absolutely sure that all the campaigns carried out so far were being continued by the responsible authorities? Was it certain that all services set up with UNICEF's assistance remained public services and that they would never serve private interests? No one could answer for the future, but UNICEF was already in a position to cast a backward glance and decide whether its work was achieving lasting results. Belgium, for its part, would be happy to submit a report, say in a year's time, on the results achieved in the Belgian Congo and Ruanda-Urundi.

He hoped that his delegation's views were shared by all members of the Executive Board. He reiterated his congratulations and his words of encouragement to the Administration of UNICEF, and hoped that relations between UNICEF organs and the specialized agencies would become increasingly closer and more complete, and that UNICEF's working principles would always be scrupulously adhered to.

He was happy to state that Belgium's contribution to the 1954 budget would probably be greater than the estimated figure, and that the 1955 contribution would be still greater. In order to help solve the fish meal question, moreover,

the Belgian Section of UNICEF intended, if FAO could furnish it with specimens, to carry out experiments and observations, in agreement with the Government and the WHO and FAO sections concerned in Belgium.

The CHAIRMAN thanked the Belgian representative for the very useful suggestions he had just made, in direct or question form. It would undoubtedly be of value for the Executive Board in 1955 to study them, especially those relating to co-operation with the specialized agencies and the question concerning reports on results achieved thanks to UNICEF assistance.

OTHER BUSINESS

Mrs. FREEMAN (Non-Governmental Organization Committee on UNICEF), speaking as Chairman of the Sub-Committee on Nutrition of the NGO Committee on UNICEF, drew the Executive Board's attention to the question of adding synthetic vitamins to skimmed milk.

It had long been established that the dehydration of milk destroyed vitamins A and D. As those two vitamins were very important for a child's growth, UNICEF tried to make up for their absence from milk by supplying fish oil capsules. It was now possible, by a simple and inexpensive method, to add synthetic vitamins A and D to powdered milk, either at the time the milk was dehydrated or when it was reconstituted.

She therefore asked the Executive Board kindly to give that point all the attention it warranted.

The CHAIRMAN observed that the Executive Board's report to the Economic and Social Council was usually prepared by a drafting committee of which the Chairman of the Executive Board and the Chairman of the Programme Committee were ex officio members. He suggested that the representatives of Australia and the Philippines should also be members of the drafting committee.

It was so decided.

The CHAIRMAN said that the Executive Board must elect its officers for 1955. In order that the new officers might be able to take up their duties at the beginning of the year, he suggested that they should be elected in December 1954. The exact date would be fixed later, after consultation with the members of the Board and the Department of Conference Services.

It was so decided.

Mr. HEYWARD (Deputy Executive Director) gave some information about the UNICEF film strip which had been shown to Board members. It could be reproduced at little cost and projected with relatively inexpensive equipment. The present film strip could be bought for \$3, or an equivalent sum, by all persons or organizations wishing to promote the work of UNICEF. It would in particular be used in connexion with the forthcoming campaign of the United Nations Appeal for Children. The Department of Public Information would send copies to all United Nations Information Centres. There were three versions - English, French and Spanish.

A second film strip had been made for use in elementary schools. It would be shown in thousands of United States schools. The Department of Public Information would also send copies to United Nations Information Centres for the use of all countries wishing to show it in their elementary schools.

The CHAIRMAN said that the Executive Board had completed its agenda for the session.

Mr. BUGNARD (France), speaking on behalf of all the members of the Executive Board, thanked and congratulated Mr. Lindt for the outstanding manner in which he had conducted the Board's work. His firmness and courtesy had greatly contributed to the smooth working of the debates. By his untiring efforts for UNICEF he had set his colleagues a magnificent example.

Mr. Bugnard also wished to congratulate all the members of the Administration, especially Mr. Pate, his assistants and the Directors of the Regional Offices, who had submitted excellent reports to the Executive Board.

The CHAIRMAN thanked Mr. Bugnard and declared the session closed.

The meeting rose at 12.40 p.m.