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

JOINT INSPECTION UNIT

Report of the Secretary-General

Addendum

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PART THREE. BRIEF, FACTUAL DESCRIPTION OF THE ACTIVITIES
OF THE INTERGOVERNMENTAL BODIES WHICH HAVE
RECENTLY ADDRESSED THEMSELVES TO QUESTIONS
RELATED TO ADMINISTRATIVE AND BUDGETARY
CONTROL, INVESTIGATION AND CO-ORDINATION

INTRODUCTION

1. At its 2440th plenary meeting, on 15 December 1975, the General Assembly, on the recommendation of the Fifth Committee, adopted the following decision:

"The General Assembly, recalling paragraph 2 of its resolution 2924 B (XXVII) of 24 November 1972 on the question of the continuation of the Joint Inspection Unit, decided to request the Secretary-General:

"(a) To give primary attention to the Joint Inspection Unit;

"(b) To submit a brief factual description of the activities of the intergovernmental bodies which have recently addressed related questions;

"(c) To bring up to date the report of the Secretary-General concerning bodies and organs established for purposes of administrative and budgetary control, investigation and co-ordination, issued in 1970 (A/7938), taking account of changes that had occurred and of the evolution of the responsibilities of the various bodies and organs enumerated therein since the date of its publication;

"(d) To transmit the updated version of that report as soon as possible to the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System."

2. In compliance with subparagraph (b) of the request of the General Assembly, the Secretary-General transmits herewith the information required.

I. UNITED NATIONS

A. Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System

3. Under the terms of section VII of resolution 3362 (S-VII) adopted by the General Assembly on 16 September 1975, the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System was established as a committee of the whole of the General Assembly, open to participation of all Member States. The Ad Hoc Committee is required to submit its report to the General Assembly at the thirty-first session, through the Economic and Social Council at its resumed session. In carrying out its work, the Ad Hoc Committee

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was requested to take into account, inter alia, the relevant proposals and documentation submitted in preparation for the seventh special session of the General Assembly pursuant to Assembly resolution 3343 (XXIX) and other relevant decisions, including the report of the Group of Experts on the Structure of the United Nations System entitled A New United Nations Structure for Global Economic Co-operation, 1/ the records of the relevant deliberations of the Economic and Social Council, the Trade and Development Board, the Governing Council of the United Nations Development Programme (UNDP), and the seventh special session of the Assembly, as well as the results of the deliberations on institutional arrangements of the United Nations Conference on Trade and Development (UNCTAD) at its fourth session and of the Governing Council of the United Nations Environment Programme (UNEP) at its fourth session. The Ad Hoc Committee has thus far held two sessions, the first from 13 to 21 November 1975, and the second from 11 February to 3 March 1976. At its second session, it established an informal working group to meet between the second and third sessions of the Committee (12 April to 1 June 1976) for the purpose of considering eight problem areas identified by the Committee.

B. Working Group on United Nations Programme and Budget Machinery

4. The Working Group on United Nations Programme and Budget Machinery was established by the General Assembly at its 2324th plenary meeting, on 18 December 1974, on the recommendation of the Fifth Committee. Its membership consisted of representatives from the following 22 Member States, designated by the President of the General Assembly:

Bangladesh, Brazil, Byelorussian Soviet Socialist Republic, Dominican Republic, Ecuador, Egypt, France, Germany (Federal Republic of), Guyana, India, Iran, Japan, Kenya, Netherlands, Poland, Togo, Tunisia, Turkey, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America and Zambia.

5. The mandate of the Working Group was as follows:

(a) To carry out a review of the existing United Nations intergovernmental expert machinery for the formulation, review, approval and evaluation of programmes and budgets, including the medium-term plan;

(b) To recommend means of improving the system, taking into account:

(i) The views expressed in the Fifth Committee during the twenty-eighth and twenty-ninth sessions of the General Assembly;

(ii) The deliberations on this subject in the informal group set up by the Economic and Social Council at its fifty-seventh session to examine the machinery for programming and co-ordination, and the forthcoming intersessional meeting of the Policy and Programme Co-ordination Committee of the Council;

1/ E/AC.62/9 (United Nations publication, Sales No.: E.75.II.A.7).

The General Assembly requested the Working Group to report to the Assembly at its thirtieth session, and to submit that report for circulation to Member States in advance of the seventh special session of the Assembly, which was held from 1 to 16 September 1975.

6. The Working Group accordingly submitted its report (A/10117 and Corr.1) to the General Assembly at the thirtieth session, as a result of which the Assembly adopted resolution 3392 (XXX) of 20 November 1975, as recommended by the Fifth Committee (A/10339). The relevant portion of that resolution reads as follows:

"The General Assembly

...

"III

"1. Takes note with appreciation of the report of the Working Group on United Nations Programme and Budget Machinery; 2/

"2. Refers to the Economic and Social Council the recommendations of the Working Group and recommends that, at its next organizational session, the Council should take the necessary measures to implement on an experimental basis in 1976 the recommendations for strengthening the Committee for Programme and Co-ordination and improving its work, and report to the General Assembly at its thirty-first session on the rest of the recommendations to be considered along with the report on the work of the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System;

"3. Encourages Member States to be represented in the Committee for Programme and Co-ordination at an adequate level in order to raise the expertise of that Committee;

"4. Requests the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System to examine the role of the Advisory Committee on Administrative and Budgetary Questions within the context of possible modifications in the structure and functioning of the United Nations, including, inter alia, the mandate and composition of the Advisory Committee;

"IV

"1. Refers the documents mentioned in section I, paragraph 1, section II, paragraphs 1 and 2, and section III, paragraph 1, above to the

2/ A/10117 and Corr.1.

Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System to be taken into account in its deliberations, together with the relevant comments made thereon in the General Assembly at its thirtieth session;

"2. Decides to include in the provisional agenda of its thirty-first session the item entitled "Review of the intergovernmental and expert machinery dealing with the formulation, review and approval of programmes and budgets."

7. Subsequently, at its organizational session for 1976, the Economic and Social Council adopted decision 139 (ORG-76), by which:

(a) It amended the terms of reference of the Committee for Programme and Co-ordination in accordance with recommendations 2 (a), 3, 4, 5, 6 and 7 of the Working Group, without prejudice to its review of the other terms of reference of the Committee to be undertaken at the sixtieth session in connexion with the review of the terms of reference of all the subsidiary bodies of the Council;

(b) It requested the Secretary-General to submit the medium-term plan for 1978-1981, including the revised plan for 1977, to the Committee for Programme and Co-ordination at its sixteenth session for review;

(c) It requested the Committee on Conferences to consider the matter of prolonging the sixteenth session of the Committee for Programme and Co-ordination, so that it would meet from 10 May to 11 June 1976, in sufficient time to allow arrangements to be made for an extended session of the Committee;

(d) It authorized the Committee for Programme and Co-ordination to transmit its report on the proposed medium-term plan to the Advisory Committee on Administrative and Budgetary Questions at the same time that it submits it to the Economic and Social Council at the sixty-first session;

(e) It requested the Committee for Programme and Co-ordination, in accordance with recommendation 4 of the Working Group, to undertake, at its sixteenth session, a review and appraisal of the implementation of General Assembly resolution 3442 (XXX) of 9 December 1975, entitled "Economic co-operation among developing countries", to determine the degree of co-ordinated effort undertaken system-wide in the United Nations and to report thereon to the Council at its sixty-first session;

(f) It also recommended that, at the next Joint Meetings, the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination consider ways and means for strengthening the procedures for consultations between themselves and that they report on the matter to the Council at its sixty-first session.

II. SPECIALIZED AGENCIES AND INTERNATIONAL ATOMIC ENERGY AGENCY

A. International Labour Organisation

Intergovernmental bodies

8. Working through its various Committees, the Governing Body keeps close control over the ILO activities and over the administration and management of the International Labour Office. It usually meets three times a year, in February-March, May and November. The tripartite composition of the committees and of the Governing Body itself ensures that supervisory responsibilities are shared among the Government, Employer and Worker members.
9. Control over programme, financial and administrative matters is exercised in the first instance by the Programme, Financial and Administrative Committee of the Governing Body. Also, it is through this Committee that the Governing Body is kept regularly informed of developments relating to inter-organization co-ordination in the financial, budgetary and administrative fields. The Committee also has primary responsibility for examining JIU reports in the light of the Director-General's comments and advises the Governing Body on them. Some of the major items dealt with by the Committee are: medium-term plan, programme and budget proposals, programme and budget: report on programme implementation, regular budget account, position of the Working Capital Fund, proposed transfers within the programme and budget, external auditor's reports, proposed amendments to the Financial Regulations and/or Internal Financial Rules, financing of expenditures not provided for in the programme and budget, support costs for programmes financed from outside sources, proposed budgets of extrabudgetary account, situation of UNDP funds available to the ILO, reports of the Administrative Committee on Co-ordination, reports of JIU, in-depth reviews of the ILO programmes, reports of the Advisory Committee on Administrative and Budgetary Questions, personnel matters, including pensions questions.
10. Three types of performance reports are considered by the Committee. The first of these is an annual report on programme implementation, the second is a report on budgetary performance; both documents compare actual performance with the plans set out in the approved programme and budget. The report on programme implementation at the end of the second year of a biennium is a comprehensive review of performance during that biennium. The third type of report is a special in-depth review of a selected ILO programme, which, in the light of an analysis of past achievements, sets out in detail current concerns and difficulties and indications of possible and desirable future orientations of the programme.
11. A report on performance concerning technical co-operation activities financed from all sources of funds is prepared annually for consideration by the Committee on Operational Programmes and the Governing Body.

12. The Programme, Financial and Administrative Committee of ILO, at its 198th session in November 1975, made the following recommendation to the Governing Body, which was subsequently adopted:

Future of the Joint Inspection Unit

In response to General Assembly resolution 2924 B (XXVII), the Governing Body at its November 1975 session reached the following conclusions concerning the future of JIU:

(a) The proposals made by the Group of Experts on the Structure of the United Nations in its report entitled "A New United Nations Structure for Global Economic Co-operation" for new arrangements for the Economic and Social Council, ACABQ and possibly JIU in the field of programme evaluation deserve serious consideration in the further review of that report;

(b) Notwithstanding the proposal of the Group of Experts the need for an independent inspection function continues to exist in the United Nations system;

(c) The Joint Inspection Unit should concentrate its work on matters of economy and efficiency;

(d) Inspection reports should explain all facts pertinent to their conclusions, contain specific recommendations for action and, where necessary, specify to whom the recommendations are addressed;

(e) The Unit should operate under the principle of collective responsibility so that reports are issued as reports of the Unit;

(f) In conformity with this principle, the Unit should be restructured along the lines of a panel of inspectors with collective responsibility; it would be left to the Unit to entrust one of its members with the planning of the work of the Unit;

(g) In order to clarify the Unit's terms of reference and protect its independence, a statute should be adopted defining the Unit's objectives, functions, mode of operation and relationships with other bodies and organs of the United Nations system;

(h) Subject to the conclusions set forth in subparagraphs (c) to (g) above, the Governing Body favours the ILO's continued participation in the Joint Inspection Unit.

13. The Governing Body also instructed the Director-General to communicate this position to the Secretary-General of the United Nations and, in doing so, to express the hope that JIU would see fit to consult the staff associations of the organizations when making recommendations which would affect the interests of the Staff.

B. Food and Agriculture Organization of the United Nations

Programme Committee

14. The Programme Committee is an advisory Committee of the Council of FAO. It is composed of seven members, elected by the Council in a personal capacity. It normally meets twice a year.

15. The basic terms of reference of this Committee are to review the current programme activities of the Organization and the biennial Programme of Work and Budget, submitting recommendations thereon to the Director-General and the Council. It also advises the Council on long-term programme objectives of the Organization and considers other programme matters submitted to it by the Director-General. In addition, the Programme Committee is also responsible for reviewing the co-ordination of work between the technical divisions and the organization as a whole and other bodies.

16. Apart from the Programme of Work and Budget, among the matters to which the Programme Committee has recently given attention are: medium-term planning and objectives, the format of the Programme of Work and Budget, substantive aspects of field programmes, regional structures, decentralization, pattern of conferences, methods of work of the Council, fellowships and training, programming of meetings, including the preparation, translation and distribution of documents.

Finance Committee

17. The Finance Committee is an advisory Committee of the Council of FAO. It is composed of five members, elected by the Council in a personal capacity. It normally meets twice a year.

18. The basic terms of reference of the Finance Committee are to assist the Director-General and the Council in exercising control over the financial administration of the Organization. It reviews the financial implications of the Director-General's budgetary proposals; it receives reports on budgetary adjustments; and it advises the Council on financial, administrative and personnel matters relating to ongoing and future programmes.

19. In addition to the Programme of Work and Budget, the Finance Committee has recently given its attention, inter alia, to the following:

- (a) Financial Management. Cost measurement systems, time recording, overhead costs, extrabudgetary expenditures, organization of financial services, administration of trust funds, cost of meetings and documentation;

- (b) Administration. Structural changes, travel criteria and control, contract procedures, management of field programmes, communications, utilization of office accommodation, management services, decentralization;
- (c) Personnel. Management/staff relations, staff evaluation, salaries and allowances, tenure of appointments, grade structure, staffing and workload, recruitment procedures, use of associate experts, employment of consultants.

The Council of FAO

20. The Council of FAO is a governing body of the Organization. It consists of 42 members elected by the Conference and it meets at least three times in each biennium. The Council acts on behalf of the Conference as its executive organ and makes decisions on matters which need not be submitted to the Conference.

21. The Council maintains under review the world food and agriculture situation, considers and makes recommendations to the Conference on policy issues relating to the Programme of Work and Budget and activities in connexion with UNDP. In addition, the Council takes decisions on administrative matters and financial management of the organization or refers to the Conference matters which require Conference approval. It assists in the preparation of Conference agenda, procedures, etc. The Council elects members for various Committees, in particular the Programme and Finance Committees and the Committee on Constitutional and Legal Questions.

22. In its consideration of the reports of the Programme and Finance Committees, the Council has given attention to all of the matters listed above, with special emphasis to those relating to the Programme of Work and Budget, medium-term planning, financial, administrative and personnel management, regional structures and decentralization, and structural changes.

Continuation of the Joint Inspection Unit

23. The Council noted that the views of the governing bodies of the participating organizations on the continuation of JIU beyond 31 December 1977 had been solicited in compliance with General Assembly resolution 2924 B (XXVII). To meet the time-table established for consideration of this question by the Economic and Social Council and the General Assembly, the United Nations had requested that these views be submitted not later than March 1976.

24. The Council took note of the background information provided by the secretariat and the reports on this subject by the Programme and Finance Committees. It gave particular attention to the reasons for the sizeable increase in the Unit's budget for 1976-1977, the need to avoid overlapping of the Unit's activities with those of other bodies engaged in investigation and evaluation, and the advisability of reviewing the terms of reference and methods of operation of the Unit, were it to be continued.

25. Taking all factors into consideration, the Council agreed that JIU performed a valuable function on behalf of the participating organizations, and recommended that the Unit be extended beyond its present expiry date of 31 December 1977. The Council recognized that the proposed extension of JIU would also depend on whether any new machinery were created for investigation and evaluation which might result from the review to be made by the Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System.

26. The Council endorsed the suggestion of the Finance Committee that JIU should make greater use of informal notes on matters requiring immediate attention, it being understood that these matters and action taken thereon would later be reported to the governing bodies. The Council also endorsed the Committee's recommendation that the secretariat continue to review JIU reports addressed to other organizations and draw to the attention of the governing bodies those findings in them which had a bearing on the work of FAO.

C. United Nations Educational, Scientific and Cultural Organization

27. Resolution adopted by the Executive Board of UNESCO (98/EX/Dec. 3.1.1):

Continuation of the United Nations Joint Inspection Unit (98 EX/6) and report of the Special Committee (98 EX/2)

The Executive Board,

1. Having considered the Director-General's report on the continuation of the Joint Inspection Unit, contained in document 98 EX/6, and the Special Committee's report thereon (98 EX/2),
2. Noting part B of resolution 2924 (XXVII) adopted by the General Assembly of the United Nations at its twenty-seventh session, in which it decided that the Joint Inspection Unit should continue for four years beyond 31 December 1973,
3. Noting also that in the same resolution the General Assembly decided to evaluate at its thirty-first session the work of the Joint Inspection Unit in conjunction with an over-all review of the machinery of the United Nations and of its system for administrative and budgetary control, investigation and co-ordination,
4. Taking into account the time-table proposed by the United Nations Secretariat for the treatment of this question, which provides inter alia for the views of governing bodies to be obtained by Executive Heads between January 1975 and February 1976,

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5. Authorizes the Director-General to base the views he provides for the Administrative Committee on Co-ordination on the main conclusions of the Executive Board expressed at its present session, with particular emphasis on the following considerations:
 - (a) the Joint Inspection Unit, which provides external control indispensable for the efficient running of the United Nations system, should be continued;
 - (b) the Unit should be given clear guidelines to enable it to perform effectively its role of helping the United Nations system to make rational and economical use of the resources at its disposal;
 - (c) Inspectors' reports should concentrate on important technical questions of administration or management, and their recommendations should be clear and precise;
 - (d) in view of the need for both internal and external inspection functions, close co-operation should be established between the Joint Inspection Unit and UNESCO's internal inspection unit, so as to make their respective activities complementary and to avoid duplication;
 - (e) Inspectors' reports should be circulated as promptly as possible, as is indeed the case with reports sent to UNESCO, but any duplication in the circulation of reports by the various agencies of the system should be avoided, and it would be advisable to examine the possibility of translating and distributing only the main conclusions and recommendations of the reports, on the understanding that the full reports would be available for consultation on request;
 - (f) the optimum size of the unit and the methods and criteria for selecting its members should be examined with a view to strengthening its operation and ensuring that it can carry out increasingly complex studies of the nature indicated in subparagraphs 5 (b) and (c) above;

6. Invites the Director-General to report to the Board at its 99th and 100th sessions on the treatment of this question in the Administrative Committee on Co-ordination and at the Economic and Social Council, with regard not only to the question of the continuation of the Joint Inspection Unit but also to the over-all review referred to in paragraph 3 above.

D. World Health Organization

28. Resolution adopted by the Executive Board of WHO (resolution EB57.R58 of 30 January 1976):

The Executive Board,

Recalling part II of resolution WHA20.22, 3/ by which it was decided that the World Health Organization should participate in the Joint Inspection Unit, and resolutions WHA24.53 3/ and WHA26.50 4/ extending the Organization's participating until 31 December 1977;

Recalling resolution 2924 B (XXVII) adopted by the General Assembly of the United Nations at its twenty-seventh session, in which it decided to evaluate at its thirty-first (1976) session the work of the Joint Inspection Unit in conjunction with the over-all review of the machinery of the United Nations and of its system for administrative and budgetary control, investigation and co-ordination, taking into account, inter alia, the views of the governing bodies of the specialized agencies concerned;

Having considered the report on the subject by the Director-General, 5/

1. THANKS the Joint Inspection Unit for the work accomplished;
2. CONCURS with the comments and observations of the Director-General;
3. BELIEVES that the Joint Inspection Unit should concentrate its work on the most important technical questions of management and administration with a view to achieving greater efficiency and economy;
4. CONSIDERS, in the light of the experience gained, that the Unit reports dealing with system-wide problems of interagency interest designed to achieve better rationalization, improved management and greater uniformity in the work of the United Nations system have provided a useful contribution to the efforts pursued in this regard;
5. CONSIDERS it desirable that a rotational scheme for the designation of countries to nominate inspectors be instituted;
6. BELIEVES it essential for the effective functioning of the Unit that suitable standards to govern the selection of inspectors be established, with particular emphasis on qualifications and experience in fields such as public administration, finance and management;
7. RECOMMENDS, to further expedite the handling and consideration of reports of concern solely to WHO, that the Joint Inspection Unit bear in mind to the extent possible the dates of the sessions of the Executive Board;

3/ WHO Handbook of Resolutions and Decisions, vol. I, 1973, p. 496.

4/ WHO Handbook of Resolutions and Decisions, vol. II, 1975, p. 73.

5/ EB57/45.

8. REQUESTS the Director-General to transmit his report and this resolution to the United Nations in compliance with resolution 2924 B (XXVII); and further

9. REQUESTS the Director-General to report to the fifty-ninth session of the Executive Board on the decisions taken on recommendations formulated by the United Nations General Assembly on this matter.

E. International Telecommunication Union

29. Resolution adopted by the Plenipotentiary Conference of ITU (Malaga-Torremolinos, 1973):

"Resolution No. 33

Joint Inspection Unit

The Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973),

Having noted

- (a) the report of the Administrative Council (section 2.5.3);
- (b) United Nations General Assembly resolutions 2150 (XXI), 2360 (XXII) and 2924 (XXVII),

Considering the useful role played by the Joint Inspection Unit as an independent service of the United Nations,

Instructs the Secretary-General to continue to co-operate with the Joint Inspection Unit and to submit the appropriate reports to the Administrative Council;

Instructs the Administrative Council to study the reports submitted by the Secretary-General and to take any necessary action.

F. World Meteorological Organization

30. The World Meteorological Organization review of the machinery for administrative and budgetary control and interagency co-ordination is carried out by the World Meteorological Congress which meets every four years and by the WMO Executive Committee at its annual sessions. The Seventh Congress, held in April-May 1975, reviewed the arrangements for co-ordination and co-operation with the United Nations and other international organizations and decided that

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these arrangements should be further strengthened following the policies laid down by previous congresses. In particular, the Seventh Congress considered the work of the Administrative Committee on Co-ordination and its sub-committees in the work of which WMO participates to the extent possible. Congress invited the Executive Committee to follow closely and take appropriate action on developments within the United Nations system which require co-ordination with the activities of WMO. The Seventh Congress also considered the establishment of a financial advisory committee but referred the matter to the Executive Committee for further study.
