

Secretary-General's Committee on Co-ordination
FIRST REPORT OF THE CO-ORDINATION COMMITTEE
TO THE ECONOMIC AND SOCIAL COUNCIL

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I. INTRODUCTION

1. The Co-ordination Committee held its Second Session at Lake Success on 1-3 October 1947.

Attendance

2. The following members (or substitutes) and observers attended:

Mr. Trygve Lie, Secretary-General of the United Nations (Chairman),
accompanied by:

Mr. A.D.K. Owen, Mr. Henri Langier

Mr. Byron Price, and Mr. Benjamin Cohen, Assistant Secretaries-General.

Mr. Edward Fhelan, Director-General of ILO,
accompanied by:

Mr. C. W. Jenks, Legal Adviser.

Sir John Boyd Orr, Director-General of IAO,
accompanied by:

Mr. F. L. McDougall, Counsellor.

Mr. Walter H. C. Laves, Deputy Director-General,
representing the Director-General of UNESCO.

Mr. Edward Warner, President of the Council, ICAO,
accompanied by:

Mr. E. R. Martin, Liaison Officer.

Dr. G. B. Chisholm, Executive Secretary, WHO-IC.

Mr. John L. Fisher, Acting Managing Director of the Fund, representing
the Managing Director of the Fund, and by special arrangement, the
President of the Bank.

There were also present for particular items, members of the Secretariats of
the United Nations and the Specialized Agencies, as indicated in Annex II.

Membership

3. At the time the Council requested the Secretary-General to establish the
Co-ordination Committee,* none of the Specialized Agencies had entered into
relationship with the United Nations. In December 1946, the agreements with
the International Labour Organization, the Food and Agriculture Organization,
and the United Nations Educational, Scientific and Cultural Organization
came into force upon approval by the General Assembly. Accordingly, the
Secretary-General convened the first session of the Co-ordination Committee,
attended by the Directors-General of these three agencies, on 4 February 1947.
A report on this session was made to the fourth session of the Council by the
Secretary-General (E/287).

4. The schedule of Specialized Agency conferences made it impossible for
the Committee to assemble for its second session until October 1947. By this

* Council Resolution 13 (III)

time, the agreement with the International Civil Aviation Organization had entered into force and the President of the Council of ICAO became a member of the Co-ordination Committee. Five agencies - the International Telecommunications Union, the Universal Postal Union, the Interim Commission World Health Organization, the International Bank for Reconstruction and Development, and the International Monetary Fund, - had negotiated draft agreements with the United Nations and the heads of these agencies were invited to attend as participating observers. An invitation was also extended to the chief officer of the Preparatory Commission of the International Refugee Organization, established by action of the General Assembly in December 1946.

II. ORGANIZATIONAL MATTERS

Committee Schedule for 1948

5. The Committee wished to meet at least three times a year and to time its sessions in relation to sessions of the Council and the General Assembly. Advance scheduling of three meetings in 1948 occasioned difficulty due to the fact that the dates of various main conferences and governing bodies are spread throughout the year. Nevertheless it was decided to accept the tentative dates proposed in the paper (E/C.4/3) of the Council's Interim Committee on Programme of Meetings as being most suitable. In combination, these dates - late January, early July, and late September - will permit the Committee to comment upon the reports and supplementary reports of agency activities going forward to the Council (see paragraph 38 below) and to exchange views on significant features of proposed programmes which individual Directors-General will submit to governing bodies. These dates also make it possible for the Committee to meet jointly with the General Assembly Advisory Committee on Administrative and Budgetary Questions so as to review problems involved in the implementation of General Assembly Resolution 81 (1).

Relations with Consultative and other Inter-Secretariat Committees

6. The Committee agreed concerning a satisfactory integration of standing consultative committees in particular technical fields within the framework of Co-ordination Committee operations, i.e. the Consultative Committees on Financial and Budgetary Arrangements, Personnel Questions, Statistical Questions and on Public Information and the Film Board.* The decision of the Committee on this matter is contained in Annex II. An account of the standing Secretariat Committees in various fields was given to the fifth session of the Council by the Secretary-General (E/553).

* Since this report was drafted the Committee has decided that the Consultative Committees on Personnel and on Budgetary and Financial Arrangements should be consolidated into a single committee to be called the Consultative Committee on Administrative Questions (see Second Report, E/625, paragraph 6).

III. IMPLEMENTATION OF AGREEMENTS

The Committee surveyed the liaison and co-ordination resulting from the application of the agreements between the United Nations and the Specialized Agencies. It is glad to be able to report the substantial progress made in the implementation of co-operative relationships envisaged in the agreements, some of which are briefly summarized in the following paragraphs.

Reciprocal Representation and Proposal of Agenda Items

7. The agencies have taken advantage of the provisions for participation in United Nations meetings including the right to propose items for agenda. One important consequence has been that it has been possible to consult in advance on the development of policies and of work programmes which come before the Council from its several Commissions. Special attention is called to the active participation of Specialized Agencies in the work of the Statistical Commission, the Transport and Communications Commission, the Social Commission, and the preparatory work for scheduled meetings of the Sub-Commissions of the Economic and Employment Commission, as well as in the work of the regional economic commissions. In each instance agencies have participated in the preparatory stages of programme development with the result that an efficient allocation of work among international organizations and the maintenance of close consulting arrangements are assured. Similarly, the United Nations has on its side sent representatives to main conferences and committee meetings of the agencies.

Exchange of Information and Documents

8. All agencies have entered into exchange arrangements whereby principal documents and technical materials issued by the United Nations and the agency are made reciprocally available to their Secretariats in a large number of copies, usually in two languages.

In addition, the agencies have agreed to transmit regular reports on their activities to the United Nations for examination and recommendation (see paragraphs 30, 33 and 38 below).

Assistance to the United Nations in connection with Trusteeship and Non-Self-Governing Territories

9. A large measure of support has been given by agencies in the development of the Trusteeship Council questionnaire and in the work of the General Assembly Committee on Non-Self-Governing Territories. In particular the Committee wishes the Council to note that special research work is to be done by several agencies in the preparation of materials regarding non-self-governing territories.

Inter-Agency Agreements

10. As provided in their relationship agreements, agencies have undertaken
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to inform the Council of agreements entered into between themselves and other agencies. The Committee was satisfied with the reporting arrangements in this connection.

A useful beginning has been made in the establishment of Joint Committees, in many of which the United Nations participates.

IV. CO-OPERATION ON SUBSTANTIVE QUESTIONS

11. The Committee took note of the practical measures instituted under its general direction to ensure co-operation and avoidance of duplication in the work of the United Nations and Specialized Agencies. These measures are still in process of evolution, and their further development will be based on experience gained. Nevertheless, it is already possible to report extensive collaboration between the United Nations and the Specialized Agencies.

The attention of the Economic and Social Council is drawn to the co-operation between the United Nations and Specialized Agencies in economic and statistical work, including the work of the regional economic commissions, in matters of social welfare and other social problems, and with respect to the provision of expert assistance to governments, as shown below.

Economic and Statistical Questions

12. General Economic Matters

(a) Three informal meetings with representatives of the Specialized Agencies were arranged during 1947 by the Director of the United Nations Division of Economic Stability and Development. Representatives of FAO, ILO, UNESCO, WHO, the Bank and Fund attended these meetings. The meetings discussed freely all projects, reports, questionnaires and other matters in the economic field of common interest to two or more agencies, for the purpose of arranging practical co-ordination and mutual assistance. On the basis of the understandings reached at these meetings, detailed co-operation was instituted.

(b) Under a resolution passed at the second session of the General Assembly, the Secretary-General is charged with the responsibility of presenting to the Economic and Social Council, at certain intervals, a survey of world economic conditions and trends. The preparation of these periodic surveys calls for outstanding measures of collaboration between the United Nations and Specialized Agencies, and the Secretary-General intends to draw as widely as possible upon the resources which the Agencies may be able to place at his disposal. Certain of the Specialized Agencies have rendered very considerable assistance in the work on the first world economic survey to be presented at the sixth session of the Council, and FAO and ILO have

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contributed whole sections to the survey.

(c) Further examples of co-operation with Specialized Agencies on particular projects are to be found in the preparation by the United Nations of a questionnaire on Economic Development addressed to Member Governments, and the work on the report on Financial Needs of the Devastated Countries (E/288). In both these cases, as in many others, great care has been taken to ensure continuous clearance with the Specialized Agencies concerned.

(d) In preparing for the United Nations Scientific Conference on the Conservation and Utilization of Resources, the Secretary-General of the United Nations has, in accordance with Resolution 32 (IV) of the Economic and Social Council, established an Advisory Committee to assist him. The membership of this Committee will include representatives of FAO, ILO, WHO, and UNESCO.

(e) The examples of co-operation thus far instanced naturally stem from the initiative of staff members of one or other of the agencies. Great importance, however, is also attached by the Co-ordination Committee to measures which will reveal at the earliest possible stage any danger that there may be overlapping in work projects. The compilation of a Directory of Economic and Statistical Projects, in accordance with a recommendation of the Economic and Employment Commission (E/255, Part IX), is particularly important in this respect. By setting out the nature of projects in hand, at regular intervals, this Directory will provide a continuous guide to the United Nations and Specialized Agencies in avoiding duplication of work. The preliminary issue of the Directory, which was published in July 1947, contained information from FAO, ICAO, ILO, WHO, the Bank and Fund as well as from the United Nations. The second issue, published in January 1948, contains information from the above agencies, and also from IRO, ITU, UNESCO, and UPU.

13. Statistical Matters. The Statistical Office of the United Nations, acting under the instructions of the Economic and Social Council and its Statistical Commission, has developed administrative instruments and procedures through which effective statistical co-operation with Specialized Agencies may be secured.

One of the primary instruments thus far organized is the Consultative Committee on Statistical Matters, a subsidiary body of the Co-ordination Committee. (See Annex III). The Consultative Committee on Statistical Matters has established procedures for the exchange of draft statistical questionnaires in advance of issuance in order to avoid unnecessary requests

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for statistics to governments and to promote a well co-ordinated programme of statistics. These arrangements supplement those previously made for the exchange of questionnaires after issuance. The Consultative Committee has also been participating in general arrangements to co-ordinate the contents of the statistical yearbooks in the different fields of statistics and has taken action on a number of technical matters of statistical co-ordination aiming at improved and uniform statistics.

In addition to the matters of general concern acted upon by the Consultative Committee, a number of detailed arrangements for co-ordination have been made between the United Nations and the various Specialized Agencies. For example, arrangements have been made for the International Labour Office to provide the United Nations current and other statistics on employment, unemployment, cost-of-living, wage rates, and similar matters within the labour field. The International Monetary Fund will provide statistics on balances of payments, exchange rates, gold and foreign exchange reserves, and other subjects of special concern to the Fund. The International Civil Aviation Organization is now providing all figures on civil aviation. Negotiations are in process with the Food and Agriculture Organization to clarify responsibilities for the collection and publication of statistics on the production, consumption and distribution of agricultural products. Similar arrangements have been made whereby the Statistical Office supplies statistics on population, national income, industrial production, trade and prices to the Specialized Agencies.

14. Fiscal Matters. It has been found that there is no overlapping between the work of the Specialized Agencies and that of the Fiscal Division of the United Nations, and informal arrangements were made to assure a close liaison between these agencies and the Division both as regards planning of research on public finance, and the exchange of available information and completed studies in this field.

The International Labour Office has informally offered to make available to the Fiscal Division factual information and analyses on aspects of social security systems that might be of use to the Division. On the other hand, it has expressed a desire to obtain information on certain technical phases of taxation and methods of financing public works.

The Food and Agriculture Organization has suggested the study of fiscal systems and policies as they affect purchasing, consumption, agriculture, economic development and social progress. In the course of its general work, the Fiscal Division is collecting and organizing material that may be later used in such studies.

Provision has been made between the Fiscal Division and the International Monetary Fund as well as the International Bank for

Reconstruction and Development for the exchange of studies relating to public finance, except insofar as certain studies by the Fund and the Bank contain confidential information. In the field of public finance, the work of the Fiscal Division is of a more general, comparative and technical character than that of these two Specialized Agencies, which are mainly concerned with fiscal problems as a part of the financial and economic position of their members viewed from their specialized standpoint.

15. Transport and Communications. Close contact has already been established on matters of mutual concern between representatives of the staffs of the Transport and Communications Division of the United Nations and of the International Civil Aviation Organization, the International Telecommunications Union and the Universal Postal Union, on the basis of the agreement concluded during 1947 between these agencies and the United Nations. This co-operation will be further developed and extended during 1948.

The close working relationships which now exist between the Transport and Communications Division of the United Nations and ICAO, ITU and UPU will naturally be extended to any other organizations which may in due course enter into relationship with the United Nations, such as the World Meteorological Organization, and any new inter-governmental agency which may be established by the United Nations Maritime Conference which meets at Geneva in February 1948.

There has been noteworthy collaboration between the United Nations and Specialized Agencies in respect of the co-ordination of those activities in the fields of aviation, shipping and telecommunications which bear upon safety at sea and in the air. On the instruction of the Economic and Social Council, the Transport and Communications Division prepared a general survey of the background of this subject for the use of the meeting of experts convened by the Government of the United Kingdom in London on 28 January 1948 preparatory to the Conference on Safety of Life at Sea which is scheduled for April 1948. The Meeting of Experts will include representatives of the Transport and Communications Division, the International Civil Aviation Organization, the International Telecommunications Union, the Provisional Maritime Consultative Council and the World Meteorological Organization.

16. Regional Economic Commissions. There has been and continues to be close consultation between representatives of the Specialized Agencies and the Economic Commissions for Europe and Asia and the Far East.

An outstanding example of this co-operation is provided by the arrangements adopted by the Director-General of the Food and Agriculture Organization

Organization and the Executive Secretary of the Economic Commission for Europe in dealing with problems of agriculture and timber in Europe. The Director-General of FAO has seconded certain members of his staff to work in the offices of the Economic Commission for Europe on these problems. In this way the closest possible integration of policies between FAO and the Commission is ensured.

Decisions of the Economic Commission for Asia and the Far East also provide for close co-operation with Specialized Agencies, particularly in the fields of agriculture and technical training.

Social Questions

17. Social Welfare. Co-ordination of the work programmes of the Division of Social Activities and interested Specialized Agencies is also occurring with respect to the provision of social welfare advisers and fellowship and seminar programmes, under General Assembly Resolution No. 58 (I).

(a) In connection with the provision of social welfare advisers to Governments, requests for advisers were reviewed by the Division in the light of known functions of Specialized Agencies, and governments were informed where such services came within the scope of a particular Specialized Agency. Specialized Agencies were kept informed by the Division as to the names and addresses of Social Affairs Officers in the field and pertinent material from reports of these Officers was referred to the appropriate agency. Specialized Agencies and Social Affairs Officers of the United Nations participated in joint planning, in part to arrange for interchange of technical personnel and services. Similarly in the handling of the fellowship programme, UNESCO and WHO fellowship representatives were consulted regarding policy.

A tentative decision has been made by the United Nations, UNESCO and WHO to hold a meeting with all Specialized Agencies to review fellowship plans and establish joint policies and operations.

(b) With respect to the seminar programme, agencies have expressed their willingness to supply teaching staff for United Nations seminars wherever countries request information on subjects falling within their province; ILO and WHO supplied lecturers for the United Nations Social Welfare Seminar in South America.

18. Prevention of Crime and Treatment of Offenders. The World Health Organization has appointed a psychiatrist to co-operate with the Division of Social Activities in the preparation of reports on the medical and psychiatric aspects of the problem to be forwarded to the Division through the office of the WHO. The co-operation of the Director of the United Nations Educational, Scientific and Cultural Organization has been requested. The Food and Agriculture Organization has been asked for

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assistance in problems relating to prison farms, forestry camps, and other means of utilizing prison labour in agricultural and related production.

19. Migration. The ILO and the staff of the Department of Social Affairs, engaged in studying problems of migration, have worked in close contact with each other as well as with UNESCO, FAO, IRO and the International Bank for Reconstruction and Development. An exchange of letters between the Secretary-General of the United Nations and the Director-General of the ILO, on 14 and 29 November 1947, marked the acceptance of a joint agreement at the Secretariat level between the United Nations and the ILO on a plan for division of work concerning migration questions.

20. Human Rights, Freedom of Information and Status of Women. In connection with the work of the Commission on Human Rights on an International Bill of Rights, UNESCO transmitted to the United Nations the results of a study of the philosophical bases of a declaration of human rights. Material also was prepared by the IRO on this subject.

The forthcoming Conference on Freedom of Information is being prepared by the Secretariat of the Department of Social Affairs in close collaboration with UNESCO. A member of the UNESCO Secretariat has been lent to the United Nations to help in the preparation of the documentation for the Conference and to prevent any overlapping in the programme. During the visit of the Deputy Director General of UNESCO to the United Nations, an agreement was reached whereby the Department of Social Affairs will carry on the enquiry which UNESCO started on the lack of newsprint in the devastated areas. FAO is also collaborating by supplying statistical information on the world needs in newsprint (E/507, E/Conf.6/1).

The Secretariat of the Department of Social Affairs preparing the second session of the Commission on the Status of Women, has asked UNESCO to collaborate by giving consideration to women in its programme of fundamental education (E/CN.6/23). A report from UNESCO is awaited. A working paper on studies by the ILO on the economic rights of women will be presented to the Commission so that any duplication of programme may be avoided. This paper has been prepared after consultation between members of the ILO staff and the Division of Human Rights.

21. Population Problems. In consultation with FAO, the Division of Population has prepared a study of methods of collating the results of censuses of population and agriculture which will be supplied to FAO as well as to all Member governments. FAO has prepared a study of variations in the definition of the agricultural population for census purposes in regard to which they have consulted the Division of Population and which will be

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included in the series of technical reports on census methods to be distributed to all Member governments.

22. Narcotic Drugs. Very close collaboration has been established between the Division of Narcotic Drugs and the Interim Commission of WHO. The work of the Interim Commission of WHO in relation to the Conventions on Narcotic Drugs is dependent on the entry into force of the amendments to the 1925 and 1931 Conventions in accordance with the provisions of the Protocol of 11 December 1946. The amendments to the 1931 Convention are now in force and only 3 more ratifications are needed for the entry into force of the 1925 Convention. Therefore the Chairman and Executive Secretary of the International Commission of WHO are in a position to nominate two members to the Supervisory Body (Article 5, 1931 Convention) and the Expert Committee on Habit Forming Drugs may make recommendations and take decisions (under Article (11) of the 1931 Convention). An official communication regarding metopon hydrochloride has been addressed to this Committee by the Division of Narcotic Drugs of the United Nations. As soon as the 1925 Convention comes into force, recommendations with regard to drugs brought under international control (Article 10) will receive full legal effect and it will be possible to recommend that a drug such as the new synthetic drug "methadon" be brought under control.

The second session of the Commission on Narcotic Drugs asked that all the available medical and other scientific data bearing on the effects of the chewing of coca leaves, should be collected and that the Division of Narcotic Drugs seek in particular the co-operation of the WHO. WHO will also undertake to furnish a list of experts in psychiatry and medical hygiene for the use of the Commission of Enquiry on the chewing of the coca leaf, if the Economic and Social Council should approve of the establishment of this Commission.

23. Cultural Activities. There has been co-operation between the Specialized Agencies and the Section of Cultural Activities of United Nations, particularly in the loaning of United Nations personnel as experts to UNESCO, and also in the implementation of resolutions of the Economic and Social Council.

Members of the Section have been lent to UNESCO to work on several projects. One was the preparation of a working paper on the Translation of the Classics. The Second General Conference at Mexico City approved this project and a final co-ordinated plan will be presented to the Economic and Social Council by UNESCO before 1 June 1948. A United Nations expert helped to prepare and participated in the Preparatory Commission at Belém, to establish an International Institute of the Hylean Amazon. This project was approved by the Second General Conference at Mexico City. This

/Conference

Conference also authorized the Director-General of UNESCO to ask the United Nations and the other Specialized Agencies to second technical personnel in connection with UNESCO's pilot project on fundamental education in Haiti. A United Nations Social Affairs Officer was on the staff of the first Seminar for International Understanding at Sevres, in July-August 1947.

Expert Assistance to Member Governments

24. The Co-ordination Committee took note of the documents, prepared in collaboration with Specialized Agencies, which the Secretary-General had submitted to the fifth session of the Council. These documents (E/471, E/471/Add.2, E/471/Add.3) describe arrangements within each agency and within the United Nations Secretariat for provision of expert assistance to Member Governments.

The Committee considered that the opportunities for co-operation between Secretariats as described in E/471 were satisfactory, and agreed that it would not be profitable at present to attempt to frame common policies applicable to all agencies. The conditions under which agencies are authorized to provide technical advice and the character of advice given differs so greatly that experience cannot be generalized; indeed, agencies have found that each request must be handled as a special case.

While not proposing the establishment of new operating arrangements, the agency representatives suggested that the Co-ordination Committee be kept informed as to the extent to which expert assistance is being given and that significant administrative experience - for example, experience in financing field missions - be brought to the Committee's attention.

V. CO-OPERATION ON ADMINISTRATIVE MATTERS

General

25. Consultation has taken place with a view to the establishment of economical arrangements for the use of administrative and technical services. Many of the problems in connection with common services are being dealt with by formal consultative committees operating within the Co-ordination Committee machinery, notably the Consultative Committee on Personnel Matters and the Consultative Committee on Budgetary and Financial Arrangements, the work of which is summarized in reports contained in Annex III. Consultation has taken place among the United Nations and the Specialized Agencies on the subject of comparative salary levels. UNESCO and the Interim Commission of WHO have adopted the United Nations classification and salary schemes and the ILO has adjusted its salaries to United Nations salary levels. In addition to the administrative problems dealt with by the consultative committees, the Co-ordination Committee wishes to call attention to certain other matters.

International Civil Service Advisory Board

26. The Committee had before it the report of the special working party of

the United Nations and Specialized Agency technicians called by the Secretary-General to advise him on the composition and functions of an International Civil Service Commission as called for in General Assembly Resolution of 13 February 1946 (A/64, page 15). On the basis of this report, the Committee came to a decision as to the name, function composition and operation of the proposed Board as shown in Annex IV.

The Committee members agreed to undertake to obtain the approval of their governing bodies for a joint financing of the proposed International Civil Service Advisory Board at such time as the Secretary-General may bring it into being.*

United Nations Postal Service

27. The Committee discussed the objective of the resolution on a United Nations Postal Service which the Argentine had presented to the second session of the General Assembly (A/367), and in this connection heard the views of one of the Vice-Presidents of the Universal Postal Union concerning legal and technical implications.

The Co-ordination Committee understood from this discussion that (a) it would be possible for the United Nations to benefit from the provisions of the UPU Convention next year when certain amendments to the Constitution of the Universal Postal Union come into force; and (b) that the United Nations would then be entitled to issue its own stamps if it decided to do so.

In this discussion, it was brought out that (a) the issuance of such stamps and their utilization would raise a number of technical problems which would require special arrangements. These arrangements would vary with the extent of the postal services which the United Nations might decide to undertake on its own behalf from the extensive arrangements contemplated by the Argentine Resolution to simpler arrangements which would impose a lesser administrative burden. They would have to include an agreement with the United States of America and other national postal authorities concerned. (b) The technical problems, though varying in their complexity according to the arrangements preferred, would be by no means insoluble.

The Committee felt that without prejudice to the proposals which the Fifth Committee may eventually desire to make to the Assembly, it would warmly welcome any steps which would lead to an issuance by the United Nations of its own stamps, a measure which it believes would have great value from the viewpoint of maintaining and intensifying public interest in the United Nations and its potentialities. A number of the Specialized Agencies would wish to participate in the scheme under appropriate arrangements.

* Since this report was drafted ICAO has informed the Secretary-General of its willingness to share in the financing of the proposed Board.

VI. BUDGETARY AND PROGRAMME CO-ORDINATION * **

General Co-ordination Machinery.

28. The Co-ordination Committee considered the general question of budgetary and financial relationships and related problems in the area of programme co-ordination both in its own sessions and in joint meeting with the Advisory Committee on Administrative and Budgetary Questions.
29. This discussion afforded a basis for a review and assessment of the existing co-ordination mechanism as a whole. The past twelve months have seen the conclusion of agreements with the United Nations by four agencies and the negotiation of agreements by five agencies which are now (October 1947) before the General Assembly for approval. Most of these agencies had already been co-operating extensively with the United Nations and with each other. In addition a pattern of inter-agency agreements and joint committees has begun to emerge. Thus, there has been created a machinery for co-operation and co-ordinated action which has already demonstrated its potentialities and is achieving positive results.
30. A variety of means is now open to the United Nations organs and the Specialized Agencies through which efficient and economical collaboration within the framework of the United Nations Charter and the basic instruments of the agencies is possible. These means were reviewed in detail by the Committee, and proposals, contained in other sections of this report, made for securing their more effective implementation. Attention is called particularly to the provisions in agreements for reciprocal representation, exchange of information and continuous working liaison.

Reciprocal Representation. Under the reciprocal representation clauses of the agreements, representatives of the United Nations have attended all the main meetings and conferences of the Specialized Agencies, including in some cases closed meetings of the finance committees and governing bodies. Similarly, representatives of the agencies have participated in the work of the Assembly, the Councils, Commissions and Committees of the United Nations. The Committee considers that the progressive use of such representation is a principal method of collaboration in the development of policies and programmes.

* This section is unchanged from the excerpt issued during the Second Regular Session of the General Assembly as document A/404, except for necessary editorial adjustments.

** Since this report was drafted, the Committee has reviewed the general subject of budgetary and programme co-ordination and has considered in detail the steps necessary to give effect to the resolutions adopted on this subject by the second regular session of the General Assembly (see Second Report of the Co-ordination Committee, E/625, Chapter V).

Exchange of Information. Arrangements have been made under the clauses of agreements providing that the United Nations shall receive all relevant documents and reports of the agencies as well as technical publications and materials and vice versa. Related to these arrangements for the exchange of information are the regular reports on their activities which agencies have agreed to transmit to the United Nations for examination and recommendation. These reports are discussed more fully in paragraphs 33, 37 and 38 below. This machinery for the exchange of information will be instrumental in placing the United Nations Secretariat, as servant to the Council and the Assembly, in a well-informed position with respect to the detailed activities and plans of agencies.

Liaison. The Committee considers that good general co-ordinated action is the aggregate of hundreds of points of contact between the United Nations and the agencies and between the agencies themselves. The basis for working co-ordination is contained in the liaison clauses of the agreements, which already have been implemented to a substantial degree, which will be intensified during 1948.

The establishment and accomplishments of consultative committees in technical areas where formal machinery is warranted is another method of implementation.* In addition, numerous problems of co-ordinated planning and action have been dealt with by special working parties, ad hoc meetings, and consultations in almost every field of economic and social endeavour in which the Specialized Agencies and the United Nations have a mutual interest.

Budgetary and Financial Relationships

31. The Co-ordination Committee considered the progress made thus far in the implementation of General Assembly Resolution 81 (I).

(a) Appending of Specialized Agency budgets to United Nations budget

Paragraph 2 of Resolution 81 (I) asked that the budgets of Specialized Agencies be appended to the budget of the United Nations for 1948. The four agencies having agreements with the United Nations, namely, the ILO, FAO, UNESCO and ICAO, have communicated their budgets to the United Nations, which are therefore available for this purpose. In addition, one agency without such agreement - namely, the Interim Commission of WHO** - will also submit its budget or proposed budget. The Committee was informed that the Bank and the Fund do not consider that they would be bound, under the terms of their draft relationship agreements, to arrange for appending of their budgets.

* See reports in Annex III

** In addition, the IRO, which was not represented at the second session, has undertaken to submit its budget or proposed budget.

These budgets are now* before the Advisory Committee, which will no doubt report to the General Assembly any observations which may result from its review of them; and it will then be for the General Assembly to make such recommendations to the legislative assemblies of the respective agencies as it may consider desirable.**

(b) Common Budgetary, Administrative and Financial Practices and Controls

The Committee examined the progress in this area (summarized in the interim report of the Secretary-General to the General Assembly; pp. 4-5 of A/394/Rev.1), as well as the reports submitted to it by the secretaries of the standing Consultative Committees which operate in the fields of budgetary and financial arrangements, and of personnel, and of those operating in the fields of statistics and public information which also have dealt with matters of administrative co-ordination. These reports are attached as Annex III.

The Committee noted that substantial progress is being achieved and issued instructions to ensure the closer integration of the work of these committees within the general framework of the Co-ordination Committee.

(c) Exploration of Possible Arrangements for Presenting Budgets of Specialized Agencies for Approval by the General Assembly

The Committee considered this question in two parts: (a) a review of the statements on the constitutional and policy aspects which agencies had previously submitted to the Secretary-General at his request (Annex V), and (b) a review of a report by its Consultative Committee on Budgetary and Financial Arrangements submitted to agencies in June 1947 and dealing with certain technical and procedural problems which would require to be solved before a consolidated budget could be envisaged.

(1) Constitutional and Policy Aspects

The Committee noted the statements from the ILO, FAO, UNESCO, ICAO, WHO, Bank and Fund. Not taking into account the Bank and the Fund, which the Committee was informed do not consider themselves affected by this question, members of the Committee expressed the view that eventual consolidation of the budgets of the international organizations could be envisaged if the executive and legislative conditions for approving the budgets were comparable to those applicable to a national government.

* October 1947.

** See A/494.

To secure the approval of a consolidated budget would require, inter alia:

- (a) A constitutional transfer of budget-making powers from the constituent assemblies to the General Assembly,
- (b) Changes in the character of General Assembly delegations
- (c) Provision by the General Assembly for a lengthening of its session sufficient to permit it to perform at one time and place the budget task now performed by the financial committees, governing bodies and conferences of the various individual agencies; and
- (d) A means of overcoming the problem arising from divergence of membership inasmuch as none of the Specialized Agencies with agreements has as members all of the governments represented in the United Nations and some have as members governments which do not belong to the United Nations and therefore are not represented in the General Assembly.

At the time of the second session of the Committee, only two agencies, the FAO and ICAO, had raised this question before their appropriate organs. A statement presented at the Co-ordination Committee by the FAO and incorporating the action of its conference on this matter is attached as Annex V. The statement of the ICAO Council was not available at the time of the Second Session of the Co-ordination Committee.*

(2) Report by the Consultative Committee on Budgetary and Financial Arrangements on Certain Technical and Procedural Problems.

The Committee took note of this report which is attached as Annex VI.

In view of considerations such as those mentioned in sub-paragraph (1) above, the Co-ordination Committee came to the unanimous conclusion that a consolidated budget to be approved by the General Assembly, however desirable it might perhaps be as a development of international institutions, is not immediately practicable and could only be achieved by a whole series of related decisions and not by unilateral action of the General Assembly.

The Committee held the view that exploration of the problems related to achieving a consolidated budget should be continued by the Secretary-General in consultation with the agencies.

The Committee however considered that there is already machinery provided in the Charter and in the agreements for achieving the objectives for which the consolidated budget is proposed, namely, overall economy and

* Subsequently a statement by the President of the Council was received by the Secretary-General; this statement is included in Annex V.

efficiency; and that, as the budgets of the agencies have been furnished to the United Nations, this machinery can now be put into immediate operation and utilized while the exploration of the whole problem proceeds.

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

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

Programme Reports and Co-ordination

32. The Committee discussed the problems involved in programmes of work in connection with (a) its review of provisions under the relationship agreements for transmission of annual reports of activities to the Economic and Social Council and (b) the question of obtaining some type of programme reports, beyond the reports specifically required under the agreements, which might assist the Council in its co-ordinating function.

33. Of the four agencies now having agreements, two - ICAO and UNESCO - submitted activities reports to the fifth session of the Council. The Council decided to consider these reports at its next session in February 1948 so that all reports from agencies relating to the year 1947 or any part thereof could be considered together and in order to allow more time for study of the reports by members.

The ILO transmitted its report at the time of the General Assembly. Similarly a report from FAO will reach the United Nations while the General Assembly is in session. The General Assembly decided that this item, Reports of Specialized Agencies, should be excluded from the agenda of its second session inasmuch as the Economic and Social Council had not yet considered the reports in question.

The suggestions which the Co-ordination Committee is making in connection with analysis and presentation of the reports to the sixth session of the Council are outlined in paragraph 37 below.

34. The Committee realized that statements regarding future programmes must necessarily be somewhat tentative in character. Programme changes may arise out of unforeseen developments.

The views of the Co-ordination Committee as to possible action in this area of co-ordination are dealt with in paragraph 39 below.

/Priorities

Priorities

35. The Committee also gave attention to the question of priorities, both within each Specialized Agency, and as an overall problem. Such questions are the constant preoccupation of the governing bodies and executive committees within each organization. The Committee realized the great importance of the problem which is a complex one and proposed to go into it more fully at its next session.

VII RECOMMENDED ACTION

36. The existing methods of co-ordination described above should be continued and intensified.

The Co-ordination Committee will have at least three regular meetings, before each session of the Council and before the General Assembly, and as many ad hoc meetings as may be necessary to find solutions of difficulties that may arise, and to review the progress of the work. In addition, in the view of the Co-ordination Committee the following developments should be pursued within the framework provided by the agreements.

Reports on Activities Relating to 1947*

37. The reports submitted and to be submitted in 1947 will be brought up to date later in the year by supplementary information provided by the agencies.

It was understood that the United Nations Secretariat would examine these reports with a view (a) to giving the Council a conspectus of the activities under review, and (b) to drawing the Council's attention to difficulties or other special problems that have arisen. This material would be prepared by the United Nations Secretariat in time for the Co-ordination Committee to comment on it before the sixth session of the Council in February 1948.

Reports on Activities Relating to 1948*

38. A larger range of reports from agencies will be available in 1948. Arrangements should be made to secure the submission of as many reports as may be practicable in time for the session of the Council before the General Assembly (seventh session in July 1948).

The Secretary-General will arrange for an analysis of these reports, drawing attention to any matters which appear to require consideration, and this analysis, together with the comments of the Co-ordination Committee, will be laid before the Economic and Social Council.

The Council should review these reports and the material prepared by the Secretariat and the Co-ordination Committee at its seventh session

* Since this report was drafted, the Committee has given further consideration to the question of activities reports and work programmes (see Second Report, E/625, Chapter V, paragraphs 16A, 18, 19, 20).

(July 1948), and include any comments thereon in its report to the General Assembly.

The Co-ordination Committee feel that the process of reviewing these reports is the indispensable basis for consideration of programmes of future work.

Material Relating to Work Programmes*

39. Material outlining the anticipated programmes of work for the agencies and for the Departments of the United Nations concerned in 1949 should be prepared for the seventh session of the Council (July 1948). This material may be prepared, in the first instance, either by the agency itself or by the United Nations Secretariat in consultation with the agency. The statements should be framed in correlation with the budgets of the agencies, which are to be annexed to the United Nations budget for information, except in the case of the Bank and the Fund.

Before the session of the Co-ordination Committee in January 1948, a study should be made by the United Nations Secretariat, in consultation with the agencies, of the forms which such statements might take to achieve this purpose.

The Co-ordination Committee should consider material prepared by the United Nations Secretariat relating to these work programme statements and designed to bring out possibilities of duplication, converging tendencies among the activities, gaps which require to be filled urgently, and any other special problems for the attention of the Council. This should be done by the Co-ordination Committee at its July 1948 meeting in parallel with the consideration by the Advisory Committee of the information budgets of the agencies. The two Committees should meet, so as to bring their views as far as possible into harmony.

It would be for the Council to consider the statements of work programme, with the comments of the Co-ordination Committee, at its July session and make recommendations thereon for the consideration of the General Assembly in 1948.

* Since this report was drafted the Committee has given further consideration to the question of activities reports and work programmes (See Second Report E/625, Chapter V, paragraphs 16A, 18, 19, 20).

ANNEX I

CO-ORDINATION COMMITTEE

SECOND SESSION

Attendance at Session

Members and Advisers Present

The Secretary-General

ILO: Mr. Edward Phelan, Director-General

Mr. C. W. Jenks, Legal Adviser

Mr. E. Hutchison, Secretary

FAO: Sir John Boyd Orr, Director-General

Mr. F. L. McDougall, Counsellor

Mr. M. Veillet-Lavalley, Director, Administrative Division

Mrs. Sherleigh Fowler, Assistant Secretary to Executive

Committee

UNESCO: Mr. Walter H. C. Laves, Deputy Director-General

Mrs. Solomon Arnaldo, Acting Head of New York Office

Mr. Emilio Arenales, External Relations Section

ICAO: Mr. Edward Warner, President of the Council

Mr. E. R. Murlin, Liaison Officer

Observers and Advisers Present

WHO/IC: Dr. G. B. Chisholm, Executive Secretary

Dr. Frank Calderone, Director, New York Office

Dr. William P. Forrest, Assistant Director, New York Office

FUND: Mr. John L. Fisher, Acting Manager Director

BANK: Mr. John L. Fisher (by special arrangement)

Secretariat Present

Mr. A. D. K. Owen, Assistant Secretary-General in charge
of Economic Affairs

Mr. Henri Laugier, Assistant Secretary-General in charge
of Social Affairs

Mr. Byron Price, Assistant Secretary-General, Department
of Administrative and Financial Services

Mr. Benjamin Cohen, Assistant Secretary-General, Department
of Public Information

Mr. W. Martin Hill, Special Adviser to the Secretary-General

Mr. H. Saba, Director, Division on Privileges and Immunities

/Miss Mary G. Smieton

Secretariat Present (continued)

Miss Mary G. Smieton, Director, Bureau of Personnel

Mr. B. A. Renborg, Chief, Communications and Records Service

Secretariat to the Committee

Mr. G. E. Yates, Secretary

Miss Helen Seymour, Assistant Secretary

Mr. Nessim Shalom, Joint Division of Co-ordination and
Liaison

ANNEX II

CO-ORDINATION COMMITTEE

SECOND SESSION

RELATIONS WITH CONSULTATIVE AND OTHER INTER-SECRETARIAT COMMITTEES

(Decision of the Committee)

It is unanimously agreed by the Co-ordination Committee at its Second Session that the relations between the Co-ordination Committee and its subsidiary bodies are to be as follows:

1. The Consultative Committees on (a) Financial and Budgetary Arrangements (b) Personnel Questions (c) Statistical Questions (d) Public Information and (e) the Film Board, operate within the framework of the Co-ordination Committee and subject to any general directives which it may give.
2. Where a consultative committee reaches agreement on a question within its terms of reference and the agencies concerned are prepared to implement the decision, reference to the Co-ordination Committee is not contemplated, except as in (5) below.
3. The Co-ordination Committee may refer questions to a Consultative Committee for action, or for report.
4. A Consultative Committee may refer questions to the Co-ordination Committee (for instance where agreement is not reached at the technical level, or where a technical question involves issues of general policy).
5. The Consultative Committee and the Film Board shall make general reports on their work to each session of the Co-ordination Committee.
6. Questions shall be referred to the Working Committee normally only by the Co-ordination Committee itself.
7. Instructions based on the agreed terms of reference above should be given to the various representatives on the Consultative Committee.

ANNEX III
CO-ORDINATION COMMITTEE

SECOND SESSION

Reports on Work of Consultative Committee

Attached are reports on the past work of the Consultative Committees and the United Nations Film Board as prepared by the several divisions of the United Nations Secretariat which work most closely with these bodies.

The reports are arranged in the following order:

- Consultative Committee on Personnel Matters
- Consultative Committee on Budgetary and Financial Arrangements
- Consultative Committee on Statistical Matters
- Consultative Committee on Public Information
- United Nations Film Board

REPORT TO THE CO-ORDINATION COMMITTEE ON THE WORK OF THE
CONSULTATIVE COMMITTEE ON PERSONNEL MATTERS

First Meeting, 26-28 May 1947

At the first meeting of the Consultative Committee on Personnel Matters held at Lake Success on 26, 27 and 28 May 1947, the following agencies were represented: ILO, UNESCO, the Fund, IRO and UNRRA.

Mr. H. C. Andersen, Director of the Bureau of Administrative Management and Budget of the United Nations, presided on 26 May. On 27 May, Mr. Spencer Thompson, Deputy-Director of the Bureau, presided. On 28 May, the Chairman was Miss Mary Smeton, Director of Personnel of the United Nations.

1. Proposed Modifications of the Salary System

It was agreed that insofar as possible there should be closer co-operation between agencies before any agency made a major change in its salary or allowance plan. The necessity was felt by agencies to have uniformity on certain basic salary principles, while maintaining a salary system specialized according to each agency's needs. The question of the establishment of a salary review committee was not felt to be of general consideration. As to the question of periodic versus day-to-day bases for considering reclassifications and the classification of posts in trainee levels, it was generally agreed that whatever system were adopted, it should not be too rigid, so as not to hold back a man who was capable of moving ahead to a higher post.

It was suggested that the number of grades within categories should be reduced by broadening the range of work of its posts. When a downward regrading of posts became necessary, it would be possible to retain a staff member's salary in view of overlapping step rates between grades. The use of standard job descriptions for clerical and stenographic posts, and perhaps for some journeyman professional posts was recommended.

Lastly, the organizational position of Salary Administration was discussed and it was found that whereas United Nations had transferred its Salary Administration to the Budget Office, it was the practice of the Specialized Agencies to have the Salary Administration function as a part of the Personnel Office or as a part of a division of the organization which included the personnel function.

2. Salary Rates

It was agreed that the total emoluments received by individual staff members of each organization would have to be considered before real uniformity could be achieved. The Chairman gave a brief exposition of the basis for revision of the United Nations salary scale. It was agreed that as a general principle it would be desirable to have

/the same

the same salary scale for all staff members, with internationally recruited personnel receiving allowances to cover extra expenses or circumstances which would not apply to locally recruited staff.

It was generally agreed that professional personnel, including administrative staff, should be recruited on an international basis, while clerical, secretarial and manual staff members should be recruited locally, insofar as possible.

It was felt that it was too early in the development of the various agencies to reach agreement on within-grade promotion policies and that further experience would be needed before reaching a decision.

It was agreed that a committee of three cost-of-living experts would be called in to develop a pattern for fixing salary differentials and prepare indexes which would reflect the relative percentage of income spent by staff members in various places such as London, Geneva, Paris, Washington, Shanghai and Montreal, for various items of the budget. (Note: This committee began its meetings on 23 September 1947.)

3. Allowances

It appeared that only the United Nations had adopted a cost of living allowance scheme. While the principle was generally accepted that allowances should be computed on the basis of a percentage of salary, decreasing as salaries increased (or, on an equivalent lump sum basis) there was some feeling that it would be better to provide a cost-of-living allowance to all staff members rather than to stop at the \$7,000 level. This allowance would not be necessary when a salary differential was used for a certain area. While the United Nations pay to new staff members an installation allowance for the first 60 days, the Bank, the Fund and UNESCO has adopted the practice of paying allowances for 90 days after arrival of a new staff member. The agencies do not pay a housing allowance, but the ILO has adopted the United Nations children's allowance plan while UNESCO also wishes to adopt it. None of the Specialized Agencies wishes to adopt the expatriation allowance. The ILO considered that its base salary scales would cover the elements which would be met by the expatriation allowance.

4. Exchange of Personnel

There were four types of interchange under consideration: temporary loans of personnel on a non-reimbursement basis, temporary loans of personnel on a reimbursement basis, temporary transfers and permanent transfers. Discussion covered such items as the Pension Fund, the Provident Fund, annual and sick leave and home leave, transport of eligible dependents, travel costs, transfer of household goods, credit for within-grade increments, repatriation and training.

5. Common Recruitment

The idea of common recruitment to training grades was generally welcomed,
/subject

subject to the special position and requirements of each agency.

Second Meeting, 16-17 July 1947

On 16 and 17 July 1947 a second meeting took place at Lake Success with the following Specialized Agencies present: FAO, UNESCO, IC-WHO, the Bank, the Fund, IRO and UNRRA.

Agreement was reached on temporary loans of personnel on a reimbursement basis, temporary and permanent transfers, questions concerning annual and sick leave, home leave, travel costs, travel of eligible dependents, transfer of household goods, credit for within-grade increments, Provident and Pension Funds and repatriation.

Other problems discussed were the Administrative Tribunal, for which none of the Specialized Agencies felt a need at this stage, the definition of the term "normal place of residence", and the draft forms for periodic reporting. Much time was devoted to discussing the proposed revision of the Pension Scheme.

REPORT TO THE CO-ORDINATION COMMITTEE ON THE WORK OF THE CONSULTATIVE
COMMITTEE ON BUDGETARY AND FINANCIAL ARRANGEMENTS

1. First Meeting, 3-4 April 1947

Certain informal working relationships among the United Nations and the Specialized Agencies in the budgetary and financial field became the basis for the establishment of the Consultative Committee on Budgetary and Financial Arrangements as one of the technical committees of the Co-ordination Committee. The Consultative Committee held a first informal meeting at Lake Success with the following agencies represented: ILO, FAO, and UNESCO, with observers from WHO-IC, the Bank and the Fund, the IRO and PICAQ.

The major part of this meeting was concerned with actions of the Second Part of the First Session of the General Assembly of the United Nations affecting budgetary and financial arrangements with the Specialized Agencies. In this connection, action of the Assembly on the financial regulations of the United Nations, on the terms of reference of the Advisory Committee, on loans to Specialized Agencies from the Working Capital Fund, and the special Resolution of the Assembly on Budgetary and Financial Relations with Specialized Agencies (Resolution 81 (1)) were all read and discussed.

Certain other points suggested by the Specialized Agencies on financial practices were on the agenda, such as inter-budget fund transfers and transfers of funds from one agency to another. Administrative services at regional offices were also discussed at some length. No precise agreements were arrived at but a tentative agenda for the first formal meeting of the Consultative Committee on Budgetary and Financial Arrangements to be held in June was agreed upon.

2. Second Meeting, 16-17 June 1947

The second meeting of the Consultative Committee on Budgetary and Financial Arrangements met at Lake Success on 16-17 June 1947. Representatives of FAO, ICAO and UNESCO were present but the ILO was unable to send a representative in view of the fact that the International Labour Conference was in session in Geneva. Observers were present from WHO-IC, the Bank, the Fund and the IRO. Mr. H. C. Andersen, Director of the Budget of the United Nations, acted as Chairman of the meeting.

The principal items of business, as agreed upon in the preceding meeting, revolved around the recommendations of the General Assembly in its Resolution on Budgetary and Financial Arrangements with Specialized Agencies. In this connection, an agreement was arrived at concerning the attachment of Specialized Agency budgets or proposed budgets for 1948 as informative annexes to the United Nations Budget for 1948. A common form for the

/transmittal

transmittal of this information was arrived at during the meeting. A schedule for the transmittal of these budgets and proposed budgets was established by agreement.

Paragraph 3 of the General Assembly Resolution concerning special arrangements for General Assembly approval of Specialized Agency budgets had been specifically referred to the Consultative Committee by the Co-ordination Committee and its Working Party. There were some doubts expressed concerning whether the item should be considered before basic policy and constitutional questions had been resolved. However, after extensive discussion, the Consultative Committee agreed on a report on the technical and procedural problems in any possible arrangements for such approval. It was agreed that this report was a strictly internal document for the use of the Working Party and the Co-ordination Committee in connection with any further discussion of policy or constitutional questions in this area. The report, as agreed, was transmitted to the Specialized Agencies with the summary record of this meeting and has been referred as a separate report to the Co-ordination Committee.

In connection with paragraph 3 of the General Assembly Resolution, the Consultative Committee pursued its exploration of a number of possible common services of the United Nations and one or more of the Specialized Agencies. Among the subjects discussed were joint collection of contributions, joint conference services, and joint transportation services. A document on financial arrangements for common services was also submitted by the United Nations Secretariat. It was agreed in the Committee that this report would be referred to a Working Party before detailed consideration by the Consultative Committee.

One other major concern at this meeting was the proposed procedure for examination of Specialized Agencies' budgets by the Advisory Committee on Administrative and Budgetary Questions of the General Assembly. While there were some differences of opinion concerning the role of the United Nations Secretariat in servicing the Advisory Committee, a procedure was finally agreed upon and transmitted to the Advisory Committee and to all agencies concerned. In this connection, it may be mentioned that several of the agency representatives raised the question of their attendance at Advisory Committee meetings.

3. Working Party Meetings.

Since the general meeting of the Consultative Committee, there have been two Working Parties in session on the subjects of sharing of conference costs and transportation costs and also on the standardization of the form of the budget. Some progress in each of these fields will be reported to the next meeting of the Consultative Committee.

REPORT TO THE CO-ORDINATION COMMITTEE ON THE WORK OF THE CONSULTATIVE
COMMITTEE ON STATISTICAL MATTERS

This Committee was initially established in 1946 at the request of the Statistical Commission as the Statistical Co-ordinating Committee. Subsequent to its reconstitution as the Consultative Committee on Statistical Matters it has held one meeting, in April 1947.

Agencies now represented on the Consultative Committee are, in addition to the United Nations, ILO, FAO, UNESCO, ICAO, the Interim Commission of the WHO, the Bank and the Fund. In addition to its April meeting, there have been several individual consultations by the Statistical Office of the United Nations and each of the agencies on matters which come within the cognizance of the Consultative Committee.

The Committee has explored informally the need for statistics by each agency and members of the Committee have exchanged views with respect to possible methods of avoiding duplication and promoting co-ordinated action. At its April meeting, the Committee discussed and adopted a proposal that international agencies agree upon 1937 as the pre-war base year to be used by them in their publication of index numbers except for indexes of agricultural production which might be based on a number of years. The Committee expects to consider the selection of a post-war base period, among the other technical statistical matters with which it will deal.

The Committee also unanimously agreed to exchange questionnaires after issuance so that each agency would be fully advised about the requests for statistics which were being directed to national governments. The Statistical Office of the United Nations was asked to undertake the collection of questionnaires from each agency and their distribution to every other agency. Accordingly, the Statistical Office has requested copies of each special purpose questionnaire issued since January 1947 and copies of each questionnaire in repetitive use. In addition, preliminary drafts of questionnaires which have been reproduced for discussion purposes have been requested for circulation.

REPORT TO THE CO-ORDINATION COMMITTEE ON THE WORK OF THE
CONSULTATIVE COMMITTEE ON PUBLIC INFORMATION

I. INTRODUCTION

During the past year four meetings of the Consultative Committee on Public Information have been held. Representatives of all Specialized Agencies having information services have attended these meetings, i.e. ILO, FAO, UNESCO, ICAO, International Bank, International Monetary Fund, and WHO. In addition, information representatives of the International Children's Emergency Fund and the United Nations Appeal for Children attended recent meetings in order that they might have the opportunity to take advantage of information services provided by the United Nations and the Specialized Agencies.

A most cordial spirit has prevailed throughout the meetings, close co-operation has been developed in all fields of activity, and co-ordinated services and policies promoted.

II. PRINCIPLES OF CO-OPERATION

On the grounds (1) that the United Nations has at its disposal very considerable facilities for general information services, (2) that the Specialized Agencies have more limited facilities directed particularly towards serving technical and professional groups, and (3) that it is desirable to develop maximum joint services and avoid the setting up of parallel networks of facilities, the principle has been agreed and applied that a general public information service shall be developed to keep the public informed of all kinds of United Nations co-operation, on a basis of reciprocal aid, each contributing according to its facilities. This means, obviously, that the United Nations with its greater facilities accepts the greater share, but arrangements are far from one-sided. Furthermore, it is vital to the United Nations' own information programme to be able to give an overall picture.

Certain difficulties have arisen with regard to financial aspects of the above-described developments (see Item IV below).

III. EXAMPLES OF CO-OPERATION DURING THE PAST TWELVE MONTHS:

1. Press Releases: approximately 800 have been handled on behalf of the Specialized Agencies through the joint facilities provided at United Nations headquarters.
2. In United Nations Radio Programmes, approximately 900 items and features on the Specialized Agencies have been included.

3. In the United Nations

3. In the United Nations Weekly Bulletin, 450 items and feature articles on the Specialized Agencies have been included.
4. In the United Nations "clip-sheet" sent to smaller-circulation newspapers in various parts of the world, about 150 items on the Specialized Agencies have been included.
5. Approximately 200 special background stories have been prepared in response to individual requests or for the guidance of United Nations Information Centres overseas.
6. A series of popular folders on the United Nations and the Specialized Agencies, has been begun, each in the five official languages of the United Nations. To date, six folders have been produced in the English series (on the United Nations, ILO, FAO, UNESCO, ICAO, and WHO respectively), and two further ones are in preparation on the International Children's Emergency Fund and the United Nations Appeal for Children. The FAO folder has also been produced in French, Spanish, and Chinese. Folders in English, French and Spanish on the International Bank have been prepared and are being printed at the present time. French editions of the folders on the United Nations and WHO are in preparation.
7. A teletype network has been developed between the United Nations and agency headquarters in Washington, New York, and Montreal so that each shall be kept informed of the sum total of activities of the United Nations and the Specialized Agencies.

This network is also connected with a special New York network relaying releases to world news agencies, major national papers, etc.

"Legs" have been developed from the Montreal end of the United Nations Specialized Agencies' network and similar plans are under consideration for the development of "legs" on the Washington end of the same network; this aids the widest possible distribution of news and information on the overall activities of the United Nations and the Specialized Agencies to local news agencies and national papers.

8. With regard to conferences, services to Specialized Agencies have been arranged in Geneva, London, Latin America, etc.
9. Through United Nations Information Centres services for the wider global distribution of news and information for the United Nations and the Specialized Agencies have been developed at Copenhagen, Geneva, London, Mexico City, New Delhi, Paris, Rio de Janeiro, and Shanghai. In addition, plans are being considered for reciprocal services where possible through regional offices of the Specialized Agencies.
10. Other joint services developed include the preparation of a check-list of Specialized Agencies' publications, a fortnightly newsletter on common

information activities, lists of agency membership and agency addresses, etc., all of which have been widely distributed. Information officers have been exchanged on a reciprocal basis, particularly between the United Nations, ILO, and ICAO, so that each helps the other in times of peak loads of activities.

IV. FINANCING JOINT SERVICES

Attached is an extract from the minutes of the last meeting of the Consultative Committee on Public Information drawing attention to certain problems in connection with financing activities undertaken by the United Nations and Specialized Agencies in their joint services.

It would appear that, on the one hand, financial advisors of the United Nations have suggested that where services are provided directly on behalf of Specialized Agencies even though part of the United Nations' own programmes, these should be on a reimbursable basis; on the other hand, national delegations on budgetary committees of the Specialized Agencies have taken the view that if their governments have authorized the creation of certain general information services for the United Nations and they are contributing to them through the United Nations, they should not be expected to pay for those services a second time through the specialized agencies on the grounds of reimbursing the United Nations for activities undertaken on behalf of the agencies.

REPORT TO THE CO-ORDINATION COMMITTEE ON THE WORK OF THE UNITED NATIONS FILM BOARD

ACTIVITIES SINCE ESTABLISHMENT OF THE BOARD IN JANUARY 1947

Members adhering to the Statutes: FAO, ILO, United Nations and UNESCO
Co-operating Agencies: BANK, FUND, ICAO and WHO

I. An Executive Office was established to carry out decisions of the Board for all the members. The Executive Director is the Director of the Film and Visual Information Division of the United Nations Department of Public Information. Staff comprises the film staffs of the United Nations and UNESCO who serve the Board in addition to their normal duties for their respective organizations.

II. National Film Committees, to serve all members of the Board, were established in France, United Kingdom, United States and Canada, and are in the process of organization in a number of other countries. These committees include representatives of national organizations of film producers, distributors and users.

III. In accordance with decisions of the Board the Executive Office has taken the following action:

- (a) Production of eighteen films.
- (b) Stimulation of the production of six films being made at the expense of the producers. The Executive Office is directly supervising these productions. Three other films were completed for the members by producers at their own expense.
- (c) Assistance to members in obtaining film coverage of their activities in the field.
- (d) Completion of two film strips and has six others in production for the balance of the year.
- (e) Commencement of preparation of an international film catalogue with material collected by the film staffs of the United Nations and UNESCO.
- (f) Commencement of preparation for publication of "World Film News" to furnish basis of film organizations, editors of film magazines and film critics with information on international film activities and developments.
- (g) Co-ordination of a programme for the production and distribution of posters and exhibits.

IV. The Board approved a policy whereby showings of films by the member organizations would be held under the auspices of the Film Board.

V. A common policy with regard to films for the members financially sponsored by commercial organizations is under consideration by the members.

VI. A common policy on the international distribution of films produced by the Executive Office for the members is being considered by the members.

ANNEX IV

CO-ORDINATION COMMITTEE

SECOND SESSION

INTERNATIONAL CIVIL SERVICE ADVISORY BOARD

(Decision of the Committee)

The second session of the Co-ordination Committee at its meeting on 2 October 1947, having before it the report of the working party on the formation of an International Civil Service Commission (documents CO-ORDINATION/17 and A/CN.1/W.6) agreed as follows:

1. A body to be known as the International Civil Service Advisory Board along the lines outlined below should be established at an early date. The name "International Civil Service Advisory Board" is believed preferable to the name "International Civil Service Commission" as used in the General Assembly resolution.

2. The purpose of the Board should be to contribute to the improvement of recruitment and related phases of personnel administration in all of the international organization through:

(a) Advise and interchange of information on methods of recruitment and on the means by which appropriate standards of recruitment in the Secretariat and the Specialized Agencies may be ensured.

(b) Consideration of related phases of personnel administration, with the purpose of drawing the attention of the Co-ordination Committee to such problems as appeared to require further action.

(c) Development and recommendation, upon request, of guiding principles and appropriate policies covering problems within the field of (b).

3. The Board should be advisory and consultative; it should have no responsibility for, or control of, the operation of recruitment or related phases of personnel administration. Experience might show the desirability at a later date of amending the Board's terms of reference to include the possibility of delegation by organizations of certain specific operating responsibilities.

4. The Board should be composed of a Chairman and eight (8) other members appointed by the Secretary-General, with the advice and consent of the Co-ordination Committee.

5. The Board should be a continuing body; three of the original members should be appointed for one year terms, three for two year terms, three for three year terms, after which the regular term of office should be three years. Members would be eligible for reappointment.

6. The members should be appointed in their personal capacity as individuals who have earned wide public trust for their good judgment, and whose high qualifications would ensure respect for the Board's advice. They should be representative of different regions and cultures and bring to the Board diverse experience appropriate to its work. They should not be chosen or regarded as organization representatives. No Board member should serve at the same time as a member of the Secretariat of the United Nations or any Specialized Agency.

7. Members should be given allowances adequate to meet all expenses in connection with Board sessions, including compensation for loss of salary, if incurred.

8. Costs of the Board should be borne in the following manner, subject to review and revision at the end of the first year of operation:

- (a) Staff work for the Board shall be done by the appropriate part of the United Nations Secretariat.
- (b) Expenses for meetings of the Board - i.e., travel and allowances - shall be shared between the agencies and the United Nations on an agreed basis.
- (c) Expenses incurred in working upon individual requests made by an agency on a specific problem shall be borne by the agency on a reimbursable basis.

9. The Board should have two regular meetings each year, plus any extraordinary meetings which may be convened by the Secretary-General, either on his own initiative or at the request of the Co-ordination Committee.

10. Periodic or general reports should be made by the Board to the Co-ordination Committee through the Secretary-General.

ANNEX V

CO-ORDINATION COMMITTEE

SECOND SESSION

Statements by ILO, UNESCO, FAO, ICAO, WHO, International Bank for Reconstruction and Development and the International Monetary Fund Regarding Constitutional and Policy Issues involved in paragraph 3 of General Assembly Resolution 81 (1).

BUREAU INTERNATIONAL DU TRAVAIL / INTERNATIONAL LABOUR OFFICE

GENEVE

GENEVA

No. UN/33/1001/1 22 AOUT 1947

Sir,

I have the honour to acknowledge receipt of your letter (482-2-2/HS) of 31 July 1947 indicating that at the Second Regular Session of the General Assembly you will report on the question of possible arrangements for approval of the budgets of the specialized agencies by the General Assembly as required by Resolution 81 (I) which reads in part:

"The General Assembly requests the Secretary-General, in consultation with the Advisory Committee on Administrative and Budgetary Questions, to explore possible arrangements by which the budgets of the several specialized agencies might be presented to the General Assembly for approval".

When the question of the technical aspects of this problem was referred to the Consultative Committee on Budgetary and Financial Matters, it was understood that this committee was being invited to make a report on the subject for the information of the Co-ordination Committee. The letter of 25 June 1947 from the Assistant Secretary-General for Administrative and Financial Services, which is referred to in your letter, reiterates this understanding in the following terms:

"...As you know, the report of the Consultative Committee concerning possible arrangements for General Assembly approval of specialized agency budgets is designed only for the Working Party of the Co-ordination Committee which requested that this Consultative Committee should review the technical aspects of this problem. We trust the report agreed upon by other members of the Consultative Committee will meet with your approval but, in any case, since it is an internal document, you will have an opportunity to suggest changes which you believe desirable at the Working Party and the Co-ordination Committee before a report is prepared by the Secretary-General for the General Assembly."

The procedure now suggested diverges from this earlier arrangement.

I am sure you will share my view that the central functions of the Co-ordination Committee should be carefully preserved, and I should be reluctant to agree to any procedure which might diminish them or which would by-pass the Co-ordination Committee and thereby tend to weaken the part which it can play in the orderly development of relations between the United Nations and the specialized agencies. I doubt whether it would really serve any useful purpose to report to the Assembly the conclusions of the Report of the

/Consultative Committee

Consultative Committee, which, as the Assistant Secretary-General for Administrative and Financial Services points out in the passage quoted above, might be modified either by the Working Party or by the Co-ordination Committee, but if you do not share this view I should nevertheless be prepared to agree if, in reporting to the Assembly any portions of the Report in question (CC/BF/1/6/Rev.2) which you think desirable, you would indicate that the observations of the Consultative Committee are addressed to the Co-ordination Committee, which has them under consideration, it being understood that the procedure adopted on the present occasion is not to be regarded as constituting a precedent.

In your letter of 31 July you also request me to communicate to you a formal statement on the policy and constitutional aspects of this matter in order that the views of the agencies on these as well as the technical aspects may be included in the Secretary-General's report."

I have pleasure in enclosing for your information a brief statement of the constitutional position so far as the International Labour Organization is concerned.

The questions of policy involved have not yet been considered by the Governing Body of the International Labour Office or the International Labour Conference, and I am therefore not in a position to make any statement on the subject on behalf of the International Labour Organization.

I have the honour to be,

Sir,

Your obedient Servant,

(signed) Edward Pheloh

Director-General

The Secretary-General

United Nations

Lake Success

New York

CONSTITUTIONAL PROVISIONS CONCERNING THE ADOPTION
OF THE BUDGET OF THE INTERNATIONAL
LABOUR ORGANIZATION

The Constitution of the International Labour Organization, as amended by the Constitution of the International Labour Organization Instrument of Amendment, 1945, provides as follows:

"Article 13

1. The International Labour Organization may make such financial and budgetary arrangements with the United Nations as may appear appropriate.
2. Pending the conclusion of such arrangements or if at any time no such arrangements are in force
 - (a) each of the Members will pay the travelling and subsistence expenses of its delegates and their advisers and of its representatives attending the meetings of the Conference or the Governing Body, as the case may be;
 - (b) all the other expenses of the International Labour Office and of the meetings of the Conference or Governing Body shall be paid by the Director of the International Labour Office out of the general funds of the International Labour Organization;
 - (c) the arrangements for the approval, allocation and collection of the budget of the International Labour Organization shall be determined by the Conference by a two-thirds majority of the votes cast by the delegates present, and shall provide for the approval of the budget and of the arrangements for the allocation of expenses among the Members of the Organization by a Committee of Government representatives.
3. The expenses of the International Labour Organization shall be borne by the Members in accordance with the arrangements in force in virtue of paragraph 1 or paragraph 2 (c) of this article.
4. A Member of the Organization which is in arrears in the payment of its financial contribution to the Organization shall have no vote in the Conference, in the Governing Body, if the amount of its arrears equals or exceeds the amount of the contributions due from it for the preceding full two years. The Conference may, nevertheless, permit such a Member to vote if it is satisfied that the failure to pay is due to conditions beyond the control of the Member.
5. The Director of the International Labour Office shall be responsible to the Governing Body for the proper expenditure of the funds of the International Labour Organization."

The Agreement between the United Nations and the International Labour Organization of 30 May 1946 provides as follows:

"ARTICLE XIV

Budgetary and Financial Arrangements

1. The International Labour Organization recognizes the desirability of establishing close budgetary and financial relationship with the United Nations in order that the administrative operations of the United Nations and of the specialized agencies shall be carried out in the most efficient and economical manner possible, and that the maximum measure of co-ordination and uniformity with respect to these operations shall be secured.
2. The United Nations and the International Labour Organization agree to co-operate to the fullest extent possible in achieving these ends and, in particular, shall consult together concerning the desirability of making appropriate arrangements for the inclusion of the budget of the Organization within a general budget of the United Nations. Any such arrangement which may be made shall be defined in a supplementary agreement between the two organizations.
3. In the preparation of the budget of the International Labour Organization the Organization shall consult with the United Nations.
4. The International Labour Organization agrees to transmit its proposed budget to the United Nations annually at the same time as such budget is transmitted to its members. The General Assembly shall examine the budget or proposed budget of the Organization and may make recommendations to it concerning any item or items contained therein.
5. Representatives of the International Labour Organization shall be entitled to participate, without vote, in the deliberations of the General Assembly or any committee thereof at all times when the budget of the Organization or general administrative or financial questions affecting the Organization are under consideration.
6. The United Nations may undertake the collection of contributions from those Members of the International Labour Organization which are also Members of the United Nations in accordance with such arrangements as may be defined by a later agreement between the United Nations and the International Labour Organization.
7. The United Nations shall, upon its own initiative or upon the request of the International Labour Organization, arrange for studies to be undertaken concerning other financial and fiscal questions of interest to the Organization and to other specialized agencies with a view to the provision of common services and the securing of uniformity in such matters.

/8. The International

8. The International Labour Organization agrees to conform as far as may be practicable to standard practices and forms recommended by the United Nations."

The arrangements provided for in paragraphs 3, 4, 5, 7 and 8 of this article are already being put into effect. In pursuance of them the estimates for 1948 as approved by the Governing Body at its one-hundred and first session in March 1947 were communicated to the Secretary-General of the United Nations, and the budget as adopted by the International Labour Conference in July 1947 was also communicated to the Secretary-General for transmission to the General Assembly.

International Labour Office

Geneva

August 1947

ORGANISATION DES NATIONS UNIES POUR
L'EDUCATION, LA SCIENCE ET LA CULTURE

UNITED NATIONS EDUCATIONAL,
SCIENTIFIC AND CULTURAL ORGANIZATION

Paris

XR.13851

September 3rd, 1947

Sir,

With reference to Mr. Adrian Pelt's letter 201-10-7/HS of 31 July, I have the honour to communicate to you the following statement of UNESCO's views regarding the policy and constitutional aspects of the question of possible arrangements for approval of the budgets of the Specialized Agencies by the General Assembly of the United Nations, as required by Resolution 31 (10) of the Economic and Social Council.

Article IX of the Constitution of UNESCO states that "the General Conference shall approve and give final vote to the budget of the Organization". On the other hand, Article X of UNESCO's Constitution, when providing that this Organization shall be brought into relation with the United Nations through an Agreement, states that "such Agreement may, among other matters, provide for the approval and financing of the budget of the Organization by the General Assembly of the United Nations".

The Agreement concluded between the United Nations and UNESCO, however, does not include any provision for the approval and financing of UNESCO's budget by the General Assembly of the United Nations. Article XVI, paragraph 2, states, among other things, that "the United Nations and UNESCO shall consult together concerning appropriate arrangements for the inclusion of the budget of the Organization within a general budget of the United Nations. Such arrangements shall be defined in a supplementary agreement between the two Organizations. The UN/UNESCO Agreement, therefore, does not provide in its present form for the approval of UNESCO's budget by the General Assembly of the United Nations, although it leaves the door open for further consideration of the matter. Thus pending the result of any such further discussion, the General Conference of UNESCO is the authority constitutionally in a position to adopt the budget of the Organization.

UNESCO will, of course, in accordance with Article XVI, paragraph 3 (b) of the above-mentioned Agreement, transmit its proposed budget to the United Nations annually at the same time as such budget is transmitted to its own members, and UNESCO agrees that the General Assembly shall examine the budget, or proposed budget of the Organization and make recommendations to it concerning any item or items contained therein. Any such recommendations would, of course, be placed before the appropriate authority within UNESCO.

/With reference

With reference to the report of the Consultative Committee on Budgetary and Financial Matters (document CC/BF.1/5/Rev.2), UNESCO is in full agreement with the findings of this body.

I have the honour to be,

Sir,

Your obedient servant,
(Signed) Julian S. Huxley,
Director-General.

Mr. Trygve Lie,
Secretary-General,

United Nations
Lake Success

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

2000 Massachusetts Avenue, N.W.

Washington 6, D.C.

11 August 1947

Sir,

I have the honour to acknowledge the receipt of your letter of 31 July 1947 informing the Director-General of FAO that the Secretary-General will be reporting to the General Assembly on the question of possible arrangements for approval of the budgets of the Specialized Agencies by the General Assembly.

FAO's representative on the Consultative Committee on Budgetary and Financial matters only agreed to the draft report to which you refer (CC/BF.1/6/Rev.2) on the understanding that it was purely technical advice to the Working Committee. Indeed, he would have been precluded to go beyond such advice. He requested, with the support of the other Specialized Agencies, that the above report open with a clear statement regarding the terms of reference of the Consultative Committee where it was specifically recorded that such technical advice was without prejudice to the more fundamental issues of policy.

In the circumstances, it was expected that no official use of this report would be made unless and until the Working Committee had had a chance to discuss its contents and to agree upon further action. Therefore, any comments upon it that the Secretary-General would desire to place before the General Assembly will be solely under his own responsibility and you will appreciate that FAO is not in a position to agree to such a modification of the procedure which had been visualized.

Indeed, the Director-General could not commit the Organization to any statement of policy without prior consultation with the Executive Committee. The formal statement which is requested in the last paragraph of your letter cannot be drawn up until after the next meeting of the Committee which is to open in Geneva on 21 August. I cannot therefore guarantee that it can be sent to you before 1 September.

If the Executive Committee agrees to the Director-General's making such a formal statement as you envisage, I am certain that the Executive Committee would desire that this statement and those from the other Specialized Agencies should be considered by both the Working Committee and the Co-ordination Committee before any use of them was made in

/statements

statements to the General Assembly.

I have the honour to be,

Sir,

Your obedient Servant,

/signed/ F. L. McDougall

Counselor

Mr. Adrian Pelt
Acting Secretary-General
United Nations
Lake Success, N. Y.

/INTERNATIONAL

INTERNATIONAL CIVIL AVIATION ORGANIZATION

Montreal

Ref: E 2/7.9/ERM

September 12, 1947

Sir,

I have the honour to refer to a communication dated 31 July 1947, addressed to me in your absence by Mr. Adrian Felt, Acting Secretary-General, regarding the question of the possible arrangements for approval of the budgets of the specialized agencies by the General Assembly. The delay in replying to this letter, which I regret, was due to the absence on holiday of the officials concerned.

The report of the Consultative Committee on Budgetary and Financial Matters (CC/BF.1/6/Rev.2), although in conformity with the views of the Secretariat, has not yet been placed before our Council or the Finance Committee thereof for its consideration. Inasmuch as our Council has just reconvened after the summer recess, such consideration has not heretofore been possible. However, this matter will shortly come before the Council and I shall be glad to inform you of any decision which the Council may take thereon.

Mr. Felt requested that a formal statement be submitted on the policy and constitutional aspects of the possible arrangements for budget approval in order that the views of the agencies may be included in the Secretary-General's report.

So far as the constitutional aspects of the question are concerned, ICAO is governed by the following relevant Articles in its Convention on International Civil Aviation:

"Article 49(e): Vote an annual budget and determine the financial arrangements of the Organization, in accordance with the provisions of Chapter XII;

(f): Review expenditures and approve the accounts of the Organization;"

"Article 61: The Council shall submit to the Assembly an annual budget, annual statements of accounts and estimates of all receipts and expenditures. The Assembly shall vote the budget with whatever modification it sees fit to prescribe, and, with the exception of assessments under Chapter XV to States consenting thereto, shall apportion the expenses of the Organization among the contracting States on the basis which it shall from time to time determine."

"Article 64: The Organization may, with respect to air matters within its competence directly affecting world security, by vote of the Assembly enter into appropriate arrangements with any general organization set up by the nations of the world to preserve peace."

/"Article 65:

"Article 65: The Council, on behalf of the Organization, may enter into agreements with other international bodies for the maintenance of common services and for common arrangements concerning personnel, and, with the approval of the Assembly, may enter into such other arrangements as may facilitate the work of the Organization."

With regard to the policy of the Organization this may be deduced first from the Resolution of the Interim Assembly of PICAQ as the result of which negotiations were authorized to enter into relationship with the United Nations.

"Resolved:

That the Interim Council is authorized, when requested by the Economic and Social Council of the United Nations, to conduct discussions with representatives of the United Nations on the definition of the future relations between the two organizations. If, after such discussions the Council believes that a formal agreement between the United Nations and PICAQ is desirable, it is authorized to participate in the drawing up of a draft agreement thereon for submission to the next Assembly of PICAQ for approval; and

"That the Interim Council is also authorized to make such arrangements with the United Nations or appropriate organs thereof as may be necessary for the effective co-operation of the two organizations during the coming year. Any agreement so drafted or co-operative arrangements entered into shall preserve the autonomy of PICAQ with respect to the purposes for which it was created."

The second and basic document which relates to the policy aspects of this matter is contained in the Agreement between the United Nations and ICAQ which was approved by the first Assembly of ICAQ. Article XV of the Agreement entitled "Budgetary and Financial Arrangements" lays down the financial relationship between ICAQ and the United Nations, while paragraph 4 thereof specifies the arrangements whereby the budget of ICAQ will be transmitted to the General Assembly. Nothing in Article XV however, contemplates an arrangement whereby the budget of ICAQ would be submitted to the General Assembly of the United Nations for its approval. This proposal which has not yet been considered either by the Council or the Assembly of ICAQ, will be placed before our Council at its present Session.

Accept, Sir, the assurances of my highest consideration.

/signed/ Edward Warner
President of the Council

Mr. Trygve Lie
Secretary-General
United Nations
Lake Success

/INTERNATIONAL

INTERNATIONAL CIVIL AVIATION ORGANIZATION

Montreal

Ref.No. E/2/7/1 HRM

30 October 1947

Dear Mr. Lie,

I have the honour to refer to the letter dated 31 July 1947, addressed to me, in your absence, by Mr. Pelt, Acting Secretary-General of United Nations, regarding the question of possible arrangements for approval of the Budgets of the Specialized Agencies by the General Assembly, and to my reply to this letter dated 12 September 1947.

I am now able to inform you that the Council of ICAO had discussed the possibilities of a consolidated budget at some length. No resolution was adopted; but the Council were agreed that the incorporation of ICAO's budget in the consolidated budget of a number of international organizations of wide variety of specialized purposes would be unlikely to promote economy or efficiency in the expenditure of the funds provided to ICAO by its Member States, or to be an effective means of preventing the development of duplicating or overlapping activities between ICAO and other agencies. They were agreed that under present conditions, at least, such a consolidation would be unwise.

I have the honour to be,

Sir,

Your obedient Servant,

/signed/ Edward Warner

President of the Council

Mr. Trygve Lie,
Secretary-General
United Nations
Lake Success, N. Y.

WORLD HEALTH ORGANIZATION
Interim Commission

350 Fifth Avenue
New York 1, N. Y.

Ref: 200-1-1B

Your ref: 462-2-2/HS

6 August 1947

Sir,

I have the honour to acknowledge receipt of your letter, 462-2-2/HS, to Dr. Chisholm, dated 31 July 1947, in which reference is made to the Report of the Consultative Committee on Budgetary and Financial Matters (CC/BF.1/6/Rev.2) concerning possible arrangements for the approval of the budgets of specialized agencies by the General Assembly of the United Nations.

On behalf of the Executive Secretary of the Interim Commission, may I explain that we had not assumed that this Report was of such a nature as to call for formal approval, since it consists merely of a statement of the technical problems involved in any possible arrangements for Assembly approval of specialized agency budgets. In general, we agree with this statement in view of the real difficulties, from the technical and procedural standpoint, which would have to be resolved.

In connection with your request that a formal statement on the policy and constitutional aspects of the matter be transmitted by the Interim Commission to the Secretary-General, I should like to refer you to a letter I sent to Mr. Hans C. Andersen, Director of the Bureau of Administrative Management and the Budget, on 19 June 1947. In this letter it was stated that, while the Interim Commission would probably welcome the inclusion of the WHO budget in that of the United Nations, it was doubtful whether the Commission would favour the principle of approval of the budget by any other body. Your request will, nevertheless, be submitted by the Executive-Secretary to the Interim Commission at its next Session, to open in Geneva on 30 August. I fear, however, that it will not be possible to send you any formal statement which the Interim Commission may approve as early as 1 September.

I have the honour to be,
Sir,

Your obedient Servant,
/signed/ Frank A. Calderone, M.D.
Director, Headquarters Office

Mr. Adrian Pelt,
Acting Secretary-General
United Nations
Lake Success, New York

/INTERNATIONAL BANK

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
Washington, D.C.

September 4, 1947

Dear Mr. Lie;

I wish to acknowledge receipt of your letter of 31 July 1947 in which you give the Bank an opportunity to submit a formal statement on the policy and the constitutional aspects of the question of possible budget approval by the General Assembly.

In reply thereto I beg to call your attention to the terms of Article X of the Agreement negotiated by the Bank and the United Nations on 15 August which state that the Bank does not rely for its annual budget upon contributions from its members and that the appropriate authorities of the Bank enjoy full autonomy in matters related to the form and content of such budget.

I wish to thank you for your courtesy in making this opportunity for comment available to us.

Sincerely yours,

/signed/ R. L. Garner

Vice-President

Mr. Trygve Lie
Secretary-General
United Nations
Lake Success, New York

INTERNATIONAL MONETARY FUND
THE MANAGING DIRECTOR
WASHINGTON

August 15, 1947

Dear Mr. Pelt,

Thank you for your letter of 31 July (Reference 462-2-2-ES) in which you offer the Fund an opportunity to submit a formal statement on the policy and constitutional aspects of the question of possible arrangements for budget approval.

As you will recall, at the meeting of the Consultative Committee on Budgetary and Financial Matters at which this subject was discussed, the Fund was represented only by an observer, who took no part in the approval of the report on this matter. This reflected the view expressed in my letter of June 10 that this item on the agenda of the Committee did not involve the Fund in any way. It should not be assumed, however, that the absence of comments by the Fund constitutes approval of the report.

At the present time the Fund has before the United Nations for consideration a draft of an agreement of relationship between the two Organizations. In view of these circumstances, I believe it would not be appropriate, at this time, for any formal statement on this subject to be made by the Fund.

I appreciate your courtesy in making this opportunity for comment available to us.

Sincerely yours,

/signed/ Gutt

Managing Director

Mr. Adrian Pelt
Acting Secretary-General
United Nations

Lake Success, New York

ANNEX VI

CO-ORDINATION COMMITTEE

SECOND SESSION

CONSULTATIVE COMMITTEE ON BUDGETARY AND FINANCIAL ARRANGEMENTS

POSSIBLE ARRANGEMENTS FOR APPROVAL OF SPECIALIZED AGENCY
BUDGETS BY THE GENERAL ASSEMBLY OF THE UNITED NATIONS

(Report Submitted to Agencies in June 1947)

1. Terms of Reference of the Consultative Committee

After consideration of a report on budgetary and financial relationships with Specialized Agencies, the General Assembly requested the Secretary-General, in consultation with its Advisory Committee on Administrative and Budgetary Questions, "to explore possible arrangements by which the budgets of the several Specialized Agencies might be presented to the General Assembly for approval".

In pursuance of the Resolution quoted above, the Secretary-General introduced this subject on the agenda of the first meeting of the Co-ordination Committee on 3 February 1947. The Co-ordination Committee requested a report on policy from its Working Committee, consisting of deputies of the Secretary-General and of the Directors-General, and this Committee in turn, at its meeting of 5 February, requested that certain technical problems related to this subject be examined by the Consultative Committee on Budgetary and Financial Arrangements. In this connection, the Working Committee asked that the United Nations Secretariat circulate a questionnaire to Specialized Agencies regarding budgetary and financial practices which would serve inter alia as a basis for the report of the Working Committee.

On 11 March 1947 the Director of the Budget of the United Nations transmitted the questionnaire referred to and in due time received replies from the FAO, UNESCO, ILO, ICAO, WHO-IC, and the Universal Postal Union. A preliminary report based on the replies received as of 2 April was circulated to representatives and observers from Specialized Agencies attending the meeting of budget and finance officers of 3-4 April.

Although the Committee is aware of the policy and constitutional difficulties which are the dominating factors, the Committee has understood that it is not within its terms of reference to consider these issues and

/has limited

has limited its concern to the difficulties in relation to questions of budgetary and financial procedures. Though the Committee has not discussed variations in membership among the international organizations concerned, it is recognized that there are certain procedural problems as well as policy questions which should be resolved in this connection.

2. Basic Assumptions

In order to consider the procedural problems, the Committee found it necessary to make certain basic assumptions concerning the relationship between the United Nations and the specialized agencies. Therefore, the Committee has assumed that no changes would be made in the structure of the organizations. It followed therefore that it should be assumed that the legislative body of each specialized agency would approve its own budget prior to approval by the General Assembly.

It was also assumed that the General Assembly Resolution referred to total budgets and not only administrative budgets. This would mean not only comparison of common administrative expenses but also approval of projects to be undertaken, which, in the opinion of the Committee, would increase the procedural difficulties, not to mention policy issues.

3. Procedural Problems Involved in General Assembly Approval of Specialized Agency Budgets

An analysis of replies to the questionnaires reveals that the major procedural problems involved in arriving at any recommendation favouring General Assembly approval of Specialized Agency budgets are the following:

- (a) The budget calendars of the various agencies;
- (b) Financial year of the agency concerned;
- (c) Relationship of time of preparation of budget to financial year to which such budget applies;
- (d) The form of specialized agency budgets;
- (e) Certain financial practices such as method of accounting.

4. Budget Calendar

The timing problems involved in a decision to present the several specialized agency budgets to the General Assembly for approval are the most immediate practical problems. The present schedule of the General Assembly requires that preparation of the United Nations budget begin in March and be completed early in June in order that the Advisory Committee may have the proper length of time in which to examine the budget during July and that the Secretary-General may be able to distribute the budget with the report of the Advisory Committee to the General Assembly which is scheduled for the third week in September.

The information obtained from the questionnaires indicates that the budget of the ILO would be prepared well in advance of early June and would be reviewed by its Governing Body and normally approved by the International Labour Conference before the meeting of the Advisory Committee of the United Nations. The Food and Agriculture Organization data indicates that the FAO budget for 1948 must be ready for submittal to the Executive Committee of that Organization early in June. UNESCO has not furnished information on this point but the calendar for 1947 calls for preparation of the budget for 1948 prior to presentation to the Executive Board during August and distribution to members of the Conference in September. ICAO, having a different financial year, has prepared its budget for the fiscal year 1947/48 during March and April 1947 and it has been approved by the Assembly of ICAO in May 1947. The Financial Regulations of ICAO require that the budget be transmitted to Members six weeks ahead of the ICAO Assembly tentatively set for about 1 June. Information concerning other agencies is not available but the fact that the World Health Organization and the International Refugee Organization have not set the dates of their general conferences, leaves the question open. The Universal Postal Congress meets only once each five years but completes the budget for its Bureau for submittal to the Governing Body of the Bureau in December of each year for the succeeding year.

If as a general principle the Advisory Committee on Administrative and Budgetary Questions and the General Assembly should approve budgets of Specialized Agencies only after they have been examined and voted by the conferences of the specialized agencies then, with the present calendars, only the ILO and ICAO would be able to furnish their approved budgets in time for review by the Advisory Committee. Changing all major conferences to the first five months of the calendar year would be extremely difficult and in some cases impossible.

5. Financial Year

The agencies using the calendar year as their financial year are the United Nations, FAO, ILO, UNESCO and the UPU. The specialized agency depending on governmental contributions remaining on a 1 July-30 June fiscal year is ICAO.

6. Relationship of Time of Preparation of Budget to Financial Year to Which such Budget Applies

A problem which has been raised on several occasions in connection with any change in budget calendars of the agencies concerned is the time which would elapse between preparation of a budget for the next succeeding year and approval by the General Conference of each agency early in the preceding year.

There are undoubtedly serious problems in budgeting so far ahead of the applicable year for specialized agencies.

7. Form of the Budget

It appears quite evident that review and approval of specialized agency budgets by the General Assembly would require uniformity in presentation of the United Nations and all Specialized Agency budgets. It would be necessary for the Advisory Committee of the General Assembly to be able to compare the objects of expenditure across budgets of all the agencies and to be assured that the definitions were the same for all items.

A survey of the present situation is presented in detail in a separate report on standardization of the form of the budget. In general, it may be noted that the ILO and the UNESCO budgets are substantially in agreement with the form of the United Nations budget at present. In several of the other agencies the form is not yet as detailed as in the case of the United Nations and in nearly every budget there is a compromise towards presentation according to objects of expenditure and presentation by activities. Insofar as the budgets are presented on the latter basis, they reflect the wide differences in programmes of the various agencies. The obstacle cannot be considered insuperable though several of the agencies have expressed their view that standardization of the form of the budget is not desirable until the particular needs of the various agencies are emphasized by experience.

8. Common Financial Practices

A number of other difficulties appear to stand in the way of any early agreement on a general budget for the United Nations and the Specialized Agencies. One such difficulty is the difference among the agencies in using a cash method of accounting as a basis for their budget as opposed to an obligations incurred method. There are also differences concerning the length of time during which accounts remain open after the close of the financial year, the disposition of balances of appropriations remaining unobligated at the end of the financial year and the period during which appropriations remain available for liquidation of obligations incurred during the budget year. All of these practices would need to be brought into a uniform pattern if the financial statements of the agencies were to be made meaningful to the General Assembly. This would require a considerable length of time.

It is the opinion of the Committee that the problem of appropriating funds for operational budgets and for special area projects to be charged to the area emphasizes the complexity of these problems.