



## ECONOMIC AND SOCIAL COUNCIL

Fortieth Session

OFFICIAL RECORDS

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*President:* Mr. Tewfik BOUATTOURA (Algeria).

*Present:*

Representatives of the following States: Algeria, Cameroon, Canada, Chile, Czechoslovakia, Dahomey, Ecuador, France, Gabon, Greece, India, Iran, Iraq, Luxembourg, Morocco, Pakistan, Panama, Peru, Philippines, Romania, Sierra Leone, Sweden, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United Republic of Tanzania, United States of America, Venezuela.

Observers for the following Member States: Argentina, Austria, Byelorussian Soviet Socialist Republic, Costa Rica, Denmark, Ghana, Hungary, Ireland, Italy, Japan, Mauritania, Mexico, Turkey, Ukrainian Soviet Socialist Republic.

The observer for the following non-member State: Switzerland.

Representatives of the following specialized agencies: International Labour Organisation; Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; International Bank for Reconstruction and Development; International Monetary Fund; World Meteorological Organization.

The representative of the International Atomic Energy Agency.

## AGENDA ITEM 12

Preparation of budgets of specialized agencies  
(E/4156)

1. Mr. HILL (Deputy Under-Secretary for Economic and Social Affairs) introduced the report by the Administrative Committee on Co-ordination (ACC) on the preparation of budgets of specialized agencies (E/4156).

2. In paragraph 1, ACC mentioned the recommendations made to it by the Economic and Social Council in resolution 1090 D (XXXIX) of 31 July 1965. Inter-agency meetings of budgetary officers had been held at Geneva in September and in January to prepare for the carrying out of that resolution. The ACC report, with its suggested plan for the tables to be submitted at the forty-first session of the Council,

was the outcome of those meetings and of subsequent consultations among ACC members. The classification of the various activities of the agencies had presented great difficulties. Those difficulties and the shortcomings of the classification were admitted in the report. The World Health Organization (WHO) had been unable to accept the classification, which would not enable it to give an intelligible picture of its programme activities. Most of the agencies, on the other hand, had felt that the list might be used as a starting point, on the understanding that it would, if necessary, be modified subsequently in the light of experience. The United Nations Secretariat would submit figures in accordance with whatever scheme of classification might be adopted in respect of the specialized agencies and the International Atomic Energy Agency. It would also be preparing, under Council resolution 1093 (XXXIX) of 31 July 1965, a detailed statement of its activities in the economic, social and human rights fields, together with the expenditure entailed.

3. In paragraph 2 of the report, ACC noted that the General Assembly had decided, in resolution 2049 (XX) of 13 December 1965, to establish an Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. The point was raised in paragraph 9 whether it might be advantageous to defer a final decision on the selection of items to be included in the financial report requested by the Council pending the outcome of such consultations as might take place with the Ad Hoc Committee and the Advisory Committee on Administrative and Budgetary Questions. Such deferment would mean that the submission of the report would have to be postponed to a later session; a progress report on the results of the consultations could, however, be prepared and submitted at the forty-first session.

4. The Ad Hoc Committee of Experts expected to finish its studies of the finances of the United Nations by the end of March. It would take up its examination of the other questions referred to it some time in April. The Chairman of the Committee had sent the specialized agencies a letter containing a number of questions raised by members, in order to help the agencies to begin the preparation of data which the Committee might require. One of the questions referred to the possible adoption of a uniform presentation and layout of the budgets of the United Nations and the specialized agencies and the relationship of programme to budget.

5. All the agencies were prepared to co-operate in carrying out the Council's recommendations, whether by preparing a report on programmes and expenditure for the forty-first session or by deferring that report pending further consultations, subject, possibly, to the submission of a progress report at the forty-first session.

6. Mr. VIAUD (France) said that the ACC report mentioned the decisions taken by the Economic and Social Council and the General Assembly on the uniform presentation of budgets. There was no conflict between Council resolution 1090 D (XXXIX) and Assembly resolution 2049 (XX), and the correlation between the two resolutions was not fortuitous. Those who had taken part in the drafting of the General Assembly resolution had had the Council resolution in mind.

7. In the view of his delegation, consideration of the problem of budgets by the Council at the present stage should facilitate the work of the Ad Hoc Committee of Experts. Moreover, the Council's responsibilities in the matter of co-ordination should be preserved and it should have the benefit of the conclusions of the Ad Hoc Committee.

8. From the practical point of view, the Council should adopt a gradual approach to the problem, which might relate to the following two points: the layout suggested to the specialized agencies for the presentation of their budgets and the presentation of the figures themselves. With respect to the layout, his delegation wished to compliment ACC on having been able to devise arrangements within a very short period of time; nevertheless, it would be necessary to review the proposed classification, which erred in the direction of analysis rather than synthesis. It would scarcely enable the figures to be compared and the interpenetration of the different fields to be determined, as had been the aim of the Council when it had adopted resolution 1090 D (XXXIX).

9. He proposed a classification which might be transmitted to ACC for study. The classification would consist of a common layout, comprising four or five main section headings. First would come administrative activities proper, divided into sub-sections such as general services and conference services; secondly, studies and research generally—economic and social fields, human rights, science and technology, and trade; thirdly, technical assistance, i.e., the organization and financing of programmes, which would be divided into several categories; fourthly, expenditure relating to the negotiation, revision, implementation and servicing of conventions and international agreements, which were of prime importance to such agencies as the ILO, WHO, UNESCO and others; lastly, if necessary, a fifth section dealing with activities not covered by the other four parts of the classification.

10. If those suggestions could lead to further proposals by ACC for the forty-first session, the Council could then defer a decision on the matter, thus avoiding the disadvantages of undue haste.

11. On the question of the presentation of the figures themselves, France's position was flexible; it would indeed be undesirable to adopt too rigid a solution. If ACC and the specialized agencies preferred to use the layout now proposed, they should do so, in the view of his delegation, on a trial basis only. In any case, the final decision on the best procedure to be followed lay with the Secretariat, ACC and the specialized agencies.

12. Mr. SINGH (India) pointed out that in Article 62 and Article 17, paragraph 3, of the United Nations

Charter the relationships between the General Assembly, the Economic and Social Council and the specialized agencies were defined with circumspection in order not to prejudice the autonomy of the specialized agencies. Members of the United Nations, however, were also members of the specialized agencies and that was the key to the problem of co-ordination: Member States themselves must initiate the complex of activities related to co-ordination.

13. It would be idle to deny that there were two divergent points of view. Some countries felt that the activities of the United Nations and the specialized agencies had become too costly for those who bore the burden of them; others thought that the activities of the United Nations family in the field of multilateral development programmes had become less and less effective.

14. India agreed with those who considered that more efforts and resources should be devoted to development needs. In that respect, it sufficed to compare two extremely significant figures: the share of annual per capita income devoted to armaments was \$40; that devoted to multilateral development activities was 4 cents.

15. The report of ACC, the work of the Ad Hoc Committee of Experts and the recommendations of the Advisory Committee on Administrative and Budgetary Questions on the standardization of budgets indicated that the point had now been reached where the need for greater co-ordination was felt and understood by all. The only question was whether the Council should express an immediate opinion on the classification given in the report of ACC.

16. In his delegation's opinion, a summary of the Council's deliberations should be transmitted to the Secretary-General, ACC and the Ad Hoc Committee of Experts for the purpose of future consultations. Furthermore, it should be stressed that the joint efforts of all delegations were not aimed at imposing restrictions in the field of co-ordination but at ensuring that the meagre resources available for development were used in the most constructive and fullest way possible.

17. Mr. KUDRIAVTSOV (Union of Soviet Socialist Republics) thought that it was important to eliminate duplication in the budgets of the specialized agencies. In that respect, he wished to recall a statement by the representative of Malta to the Second Committee during the twentieth session of the General Assembly.<sup>1/</sup> Mr. Pardo had pointed out that the costs of staff, documentation, equipment, public information and travel, as also general expenses, were increasing more rapidly than the funds allocated to technical co-operation programmes financed under the regular budget. For example, in 1966 travel expenses for the United Nations and the specialized agencies would be practically equal to the funds allocated for technical co-operation programmes. Moreover, the cost of printing, translating and publishing all kinds of documents was \$20 million. All such expenses were unrelated to the needs of the developing countries. The

<sup>1/</sup> See Official Records of the General Assembly, Twentieth Session, Second Committee, 966th meeting.

Council's main task was to streamline the budgetary techniques of the United Nations and the specialized agencies and to establish strict financial discipline, avoiding duplication and dispersion. For example, an unnecessary increase in staff prejudiced certain substantive activities. For that reason, a distinction should be made between administrative expenditure and expenditure on priority activities such as technical assistance, which should be financed by voluntary contributions.

18. The ACC had submitted far-ranging and complex proposals in its report (E/4156). He agreed with the opinion expressed in paragraph 9 of the report; the selection of items should be postponed to a later stage, following the consultations which might take place with the Ad Hoc Committee recently set up by the General Assembly and the consultations with the Advisory Committee on Administrative and Budgetary Questions envisaged in Council resolution 1090 D (XXXIX) and Assembly resolution 2049 (XX). He would also favour postponing the submission of the full report until a later session, a move which would make it possible to improve the system of classification proposed. That system, moreover, gave rise to several problems. For example, the scope of heading (l) entitled "Industrialization" was not clear. It should be specified what specialized agency was concerned with those activities, to what extent and in what field. Similarly, heading (f) (Health protection and promotion) was confusing. Closer consideration should be given to the proposals made by the representative of France and to the question of sub-headings, for example. No decisions should be taken on the report of ACC, for quality should come before speed. Finally, additional consultations should be held with the Advisory Committee on Administrative and Budgetary Questions and with the Ad Hoc Committee of Experts, and the proposals made by various delegations, including that of the Soviet Union, should be studied. The Council should revert to the item at a later session.

19. Mr. WURTH (Luxembourg) felt that the report of ACC (E/4156) marked an advance towards a co-ordinated picture of the budgetary systems. His delegation approved of the proposal made by ACC in paragraph 8 of its report, namely, that at its forty-first session the Council should receive a provisional, general report on the proposed classification, which appeared acceptable at first sight. The ACC might, however, be asked to amend it in order to define more clearly the role of WHO. It would be undesirable to postpone the decision on the choice of headings to be included in the financial report requested by the Council, for they could always be amended in the light of experience. The report of ACC could be useful to the Advisory Committee on Administrative and Budgetary Questions and to the General Assembly. Account must also be taken of the reports to be submitted by the Ad Hoc Committee of Experts.

20. Mr. ALI (Pakistan) thought that ACC should continue its work along the lines of Council resolution 1090 D (XXXIX). He hoped that the report would be adopted so that the Council could examine it at its forty-first session. The classification proposed in paragraph 5 could be amended in the light of ex-

perience and of the proposals made by delegations. The proposals made by the Ad Hoc Committee of Experts would also have to be taken into account. The headings proposed constituted at least a starting point.

21. Mr. ROOSEVELT (United States of America) said that the report of ACC represented a first step towards the attainment of the objective which the Council had set itself and for which it needed full and precise information. His delegation was glad to learn that all the specialized agencies had accepted the classification proposed in the report and to note that the ILO was undertaking to establish a programme planning and budgetary system. He stressed the importance of the role of the Advisory Committee on Administrative and Budgetary Questions and felt that the postponement of final acceptance of the report would enable ACC to hold consultations with the Advisory Committee on Administrative and Budgetary Questions. Furthermore, the report of ACC could be useful to the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. The value of the proposed classification of budgets would become clear by experimenting with its use. For that reason, he agreed that it would be useful to have an experimental series of reports by the agencies following the classification proposed. Those reports should be fully annotated. The fact that such a report was submitted should not be interpreted as final approval of the classification suggested.

22. Miss DEAS (United Kingdom) said that she wished to make a comment on the classification, which could be improved by the addition of a heading for agriculture. Her delegation felt that the Council's decision on the choice of headings should be postponed until the Ad Hoc Committee of Experts had made progress in its work.

23. Mr. SIEGEL (Assistant Director-General of the World Health Organization) said that he wished to explain to the Council the reasons why WHO had adopted the position reflected in the report of ACC. His organization was not unwilling to co-operate; on the contrary, its reservations related solely to the fact that the proposed headings would not provide the Council with the information it needed. Budget presentation by any organization was designed primarily to facilitate the work of their policy-making body and to help that body to assess the programme and the resources needed to carry it out. That did not mean, however, that the budget estimates of all the organizations could not be presented in a standard format to the Council to facilitate the Council's work and the exercise of its responsibilities for co-ordination under the Charter.

24. His organization thought that it would be more appropriate to have subject headings for each agency within a limited number of broad categories. That view should have been reflected in the last part of paragraph 5 of the ACC report; regrettably, it had been omitted.

25. Regarding the suggestion that a "trial run" should be undertaken, he wished to inform the Council that WHO had already made such an experiment and had encountered considerable difficulty in trying to place

its activities under the sixteen headings. If the Council wished to have a report at its forty-first session, WHO would do its utmost to add all the necessary annotations, but that would merely add to the confusion.

26. Another course to be followed could be to use the five categories listed in paragraph 3 of the report and each agency could subdivide item III (Programmes of activity) according to its own needs. Finally, he reiterated that WHO wished to co-operate in order to provide the Council with all the information it needed.

27. Mr. POLIT-ORTIZ (Ecuador) recalled the vigorous debate to which the question of the presentation of the budget had given rise in the Fifth Committee at the twelfth session of the General Assembly. One of the most frequent criticisms at that time had been that the form in which the budgets were presented did not enable Member States to gain an accurate idea of the need for certain expenditures. Today the developing countries, most of which were in an extremely difficult economic position, were greatly concerned about the increase in budgetary expenditure from year to year and would like to have some means of assessing the exact usefulness of the sums appropriated. The Ecuadorian delegation did not consider that the classification proposed in the otherwise excellent report of ACC made it possible to identify the expenditures which might be excessive. Moreover, the Ad Hoc Committee of Experts established under General Assembly resolution 2049 (XX) was also considering the question. It would therefore be a waste of time for the Council to examine in detail the suggestions put forward by ACC in order to take a decision on the proposed classification until it knew the results of the Ad Hoc Committee's work and of the consultations which might take place between that Committee and ACC.

28. In view of those considerations, the delegation of Ecuador supported the French representative's proposal, which seemed likely to facilitate a critical examination of the budgets of the various United Nations bodies. It was an undeniable fact that the programmes had not all the same priority.

29. Mr. PARRY (Canada) said that he too thought that the report which ACC was to submit to the Council at its forty-first session could be of an interim nature. The recommendations in paragraphs 8 and 9 of the report under consideration were not contradictory. The proposed classification could be adopted as a starting point, on the understanding that it could be modified in the light of experience. Alternatively, ACC could submit a preliminary report to the forty-first session and the Council could defer its final decision and await the outcome of such consultations as might take place with the Ad Hoc Committee of Experts and the Advisory Committee on Administrative and Budgetary Questions.

30. Mr. KUDRIAVTSOV (Union of Soviet Socialist Republics) said that he had proposed that the submission of a final report should be deferred to a later session of the Council because of the view put forward in paragraph 9 of the report before the Council. His delegation would have no objection, however, to ACC's presenting an interim report to the forty-first session

of the Council, on the understanding that the Council would take a decision at a later date on the selection of items to be included in the financial report.

31. The PRESIDENT suggested that delegations which had made suggestions should submit them in writing, or preferably prepare one or more draft resolutions, so that the Council could take a decision. If that procedure was adopted, the examination of agenda item 12 could be suspended and the following item taken up.

32. Mr. POLIT-ORTIZ (Ecuador) said that his delegation would associate itself with that of France if the latter submitted a draft resolution. In order to avoid the possibility of a prolonged debate, however, it would probably be simpler to include the various opinions which had been expressed in the summary record of the meeting.

33. The PRESIDENT said that the Ecuadorian representative's suggestion seemed to him to be sensible. He suggested that he might ask ACC and the Advisory Committee on Administrative and Budgetary Questions to take the proposals put forward by members of the Council into consideration in their consultations.

34. Mr. ROOSEVELT (United States of America) supported the idea put forward by the representative of Ecuador, for he thought that it would be difficult to give what were simply suggestions the form of a draft resolution.

35. Mr. HILL (Deputy Under-Secretary for Economic and Social Affairs) said that he assumed that the Council wished ACC to re-examine the classification given in its report (E/4156) in the light of the discussion in the Council and the consultations which were to take place with the Advisory Committee on Administrative and Budgetary Questions and with the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. It was also his understanding that the Council wished ACC to prepare, for the forty-first session, a tentative report on the lines of that envisaged in Council resolution 1090 D (XXXIX) and based on the classification proposed in document E/4156, and that that report should be made available to the Ad Hoc Committee.

36. Mr. SIDI BABA (Morocco) said that the procedure suggested by the representative of Ecuador did not give rise to any great difficulties since the various opinions which had been put forward expressed more or less similar ideas. In so far, however, as certain differences of opinion were apparent, particularly at the technical level, it would be desirable to ask the Council to give the Secretariat more specific instructions in order to facilitate its work. The Council could therefore ask the Under-Secretary for Economic and Social Affairs to examine the question and to present a report on the matter to the forty-first session.

37. The PRESIDENT said that it might be sufficient for the time being to ask the Administrative Committee on Co-ordination to present an interim report to the forty-first session of the Council, on the basis of the precise terms of reference which it had been given in Council resolution 1090 D (XXXIX).



38. He therefore suggested that the debate on item 12 should be closed.

*It was so decided.*

### AGENDA ITEM 10

Measures for the speedy implementation of the United Nations Declaration on the Elimination of All Forms of Racial Discrimination (continued) (E/4146/Rev.1 and Corr.1; E/L.1111, E/L.1112)

39. Mr. NASINOVSKY (Union of Soviet Socialist Republics) introduced draft resolution E/L.1111 and drew attention to its main provisions. He pointed out that the request to the Commission on Human Rights in operative paragraph 1 was a direct outcome of the resolution adopted on 18 June 1965 by the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples,<sup>2/</sup> in which the Special Committee drew the attention of the Commission on Human Rights to the violations of human rights in a number of territories.

40. The United Nations bodies mentioned in paragraph 2 referred essentially to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, the Special Committee on the Policies of apartheid of the Government of the Republic of South Africa, the Commission on Human Rights, the Commission on the Status of Women and the Sub-Commission on Prevention of Discrimination and Protection of Minorities.

41. There were some errors in the text of the draft resolution. In the first preambular paragraph, the word "Committee" before the words "on Human

<sup>2/</sup> Ibid., Twentieth Session, Annexes, addendum to agenda item 23, chap. II, para. 463.

Rights" should be replaced by the word "Commission", and in operative paragraph 1 the words "by the administering Powers and Administering Authorities" should be deleted. His delegation and the other sponsors of the draft resolution hoped that it would be adopted unanimously.

42. Draft resolution E/L.1112 was the logical outcome of the directions which the General Assembly had given the Economic and Social Council in resolution 2017 (XX) of 1 November 1965. Since the Council was the parent body of the Commission on Human Rights and the Sub-Commission on Prevention of Discrimination and Protection of Minorities, operative paragraph 1 of the draft resolution requested those subsidiary bodies to carry out the task referred to in paragraph 5 of the Assembly resolution. In accordance with paragraph 2, the Commission on Human Rights could, at its next session, formulate its views concerning the speediest possible accomplishment of the task designated by the General Assembly and submit its comments to the Council at its summer session.

43. Paragraph 3, which asked the Secretary-General to organize a seminar on the question of the elimination of all forms of racial discrimination, was also an outcome of the provisions of General Assembly resolution 2017 (XX). Paragraph 4 related to the speedy completion of the study referred to in paragraph 1 and the priority to be given to that work.

44. The draft resolution as a whole was therefore a consequence of the resolutions adopted by the General Assembly and it was for the Council to request its subsidiary organs to take the appropriate steps to carry out the tasks entrusted to them in those resolutions.

The meeting rose at 1 p.m.