

UNITED NATIONS  
GENERAL  
ASSEMBLY



Distr.  
GENERAL

A/3832  
16 June 1958

ORIGINAL: ENGLISH

Thirteenth session

ADMINISTRATIVE AND BUDGETARY CO-ORDINATION BETWEEN THE UNITED  
NATIONS AND THE SPECIALIZED AGENCIES

PROGRAMMES OF TECHNICAL ASSISTANCE

Allocation of the administrative and operational services costs of  
technical assistance between Regular and Expanded Programme budgets

First report of the Advisory Committee on Administrative and Budgetary  
Questions to the thirteenth session of the General Assembly

1. The General Assembly, by resolution 1037 (XI) of 26 February 1957, authorized the Advisory Committee on Administrative and Budgetary Questions to "render such advice to the Technical Assistance Committee ... as may be requested by the Committee in the review of the Administrative and operational services costs of the Expanded Programme of Technical Assistance". The present report is submitted, within the scope of this resolution, in pursuance of a request from the Technical Assistance Committee (TAC) that the Advisory Committee give further advice on the allocation of the administrative costs of the Expanded Programme and, "if possible, propose a concrete formula" for such allocation, in order that TAC could discuss the matter at its (1958) summer session (E/3055, paragraph 35).
2. It may be recalled that the Advisory Committee gave preliminary consideration to this question in its third report to the twelfth session of the General Assembly (A/3598, paragraphs 65-71);<sup>1/</sup> the Committee further referred to the matter in its twentieth report to the same session (A/3738, paragraph 21), where it stated its intention to revert to the subject in the light of any views that might be forthcoming from various other competent bodies.

<sup>1/</sup> Official Records of the General Assembly, twelfth Session, Annexes,  
agenda item 48.

3. In dealing with this question at its current (1958 summer) session, the Advisory Committee had before it, in addition to a report which TAB submitted in November 1957 (E/TAC/70), a further report of the Board (E/TAC/76 and Add.1) containing a summary of the views, in many cases still of a preliminary nature, of the governing bodies of the participating organizations.
4. In order to make the present report available in time for the 1958 summer session of TAC, it is confined to the limited question of the allocation of the administrative and operational services costs of programmes of technical assistance between Regular and Expanded Programme budgets, to the exclusion of other aspects of the administration of the Expanded Programme.
5. The Advisory Committee, in its approach to this subject, has had regard to the following basic considerations. In the first place, the regular budget of a participating organization, in respect of which Member States are assessed, provides for its continuing, constitutional functions, including legislative, regulatory and reporting functions, and, in many cases, some operational programmes; the Expanded Programme constitutes a supplementary operational programme financed from voluntary funds. Secondly, at the present stage and in the case of most of the organizations, the Expanded Programme is very similar to, and often an extension of, the programme undertaken within the regular budget, resulting in a growing integration of the two programmes, as called for in Economic and Social Council resolution 222 A (IX) of 15 August 1949. Even where the two programmes appear to be different in nature, they constitute mutually complementary elements of a total programme which, to be effective, needs to be closely integrated. A third consideration is that a simple and effective method must be found to ensure that the total administrative "overhead" or support costs of these programmes is kept to a minimum so that the resources of the organizations regardless of their origin or the manner of their contribution are concentrated on the most urgent and fruitful tasks.
6. Under existing arrangements for the administration of the Expanded Programme, participating organizations are called upon to ensure the maximum utilization of facilities available within their regular budgets; in charging any necessary additional "overhead" costs to the Expanded Programme, they must identify and justify each such additional cost. In the context of a growing integration of

/...



Page 7

the two programmes, which is a pre-requisite for their success, the identification of these "extra" costs not only appears somewhat illogical but, in practice, is becoming increasingly difficult, artificial and time-consuming. Further, while efforts have been made to achieve co-ordination in this regard, the formulation of the additional costs, their legislative review and approval, and their management, administration and control, are very often separate from similar processes involving the regular budget, possibly giving rise to administrative waste and inefficiency.

7. The difficulties in the present situation can be overcome, to a large extent:

- (a) By consolidating, in the regular budget of an organization, the presentation of all its administrative "overhead";
- (b) By relying on a consolidated review of this total "overhead" by the legislative bodies of the organization; and
- (c) By taking an appropriate lump-sum credit from the Expanded Programme Special Account, if that Account must bear part of the total "overhead".

8. Steps (a) and (b) above will contribute to a more rational legislative review of total "overhead" costs, as well as to a more economical administration of the total programme and a more effective management and control of administrative funds. Step (c) above, while not deciding the issue of whether all of the "overhead" should be carried on the regular budget or a part of it should be met by the Special Account, nevertheless obviates the wasteful process of trying to identify the "extra" costs attributable to the Expanded Programme. It is, of course, true that certain clearly identifiable "extra" costs may have a bearing on any initial determination of the lump-sum charge to the Special Account; however, it should not be difficult, with some further study at the technical level, to devise a simple and practicable formula for this purpose. The long-term need for such a formula as well as its character will depend on whether or not the entire "overhead" is to be borne on the regular budget, a problem which clearly requires further study in the face of the wide divergence of views held on this point by the several organizations.

/...

9. While this divergence of views has also apparently prevented the Technical Assistance Board - an inter-Secretariat body - from making positive recommendations on any aspect of this question, the Advisory Committee understands that there is no major objection, on the part of any of the participating organizations, either to a consolidated presentation or review of the total "overhead" within each organization, or to the adoption of a lump-sum device in respect of any necessary credits from the Special Account towards "overhead" costs. The Committee also notes that neither of these two proposals is contrary to, or precluded by, the existing legislative directives relating to the Expanded Programme.
10. In these circumstances, the Advisory Committee believes that, pending further experience and study of this problem, steps (a) and (b) mentioned in paragraph 7 above might with advantage be implemented immediately on a tentative basis, beginning with the 1959 estimates.<sup>2/</sup> It may be noted here that some of the organizations have already adopted these procedures in the presentation of their regular budget estimates.
11. The Committee further recommends, in respect of step (c) in paragraph 7 above, that, for 1959, allocations from the Special Account for administrative and operational services costs of the participating organizations should be made in the form of lump-sum amounts which, barring any major change in programmes, should not exceed the corresponding 1958 allocations. Indeed, having regard to the fact that, in the case of some of the organizations, the estimated 1958 overhead to be charged to the Special Account represents a greater proportion of programme costs than the 12 to 14 per cent recommended by the Advisory Committee in 1954 (A/2661) for an Expanded Programme of the size then under review (about \$22 million), there is scope in these organizations for further efforts towards a gradual reduction of the total costs of administering their Regular and Expanded Programme activities.

---

<sup>2/</sup> Where 1959 regular budget estimates have already been approved, or submitted for approval, by legislative bodies, participating organizations might consider the feasibility of submitting supplementary data and requests for additional appropriations to be offset by a credit (see paragraph 11) from the Special Account.



12. The Advisory Committee hopes that its comments and recommendations in the preceding paragraphs, besides contributing to a solution of the long-term problem, may constitute a practical approach to the immediate question relating to the 1959 programme. The Committee will keep under review the problem which remains, namely, whether any part of the total overhead costs should be financed from the Expanded Programme Special Account, and, if so, how this part can be determined, as a lump sum, on the basis of a simple formula. In the meantime, the Committee would suggest that TAB should study further the technical questions which are involved in the development of such a formula.

-----