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

Fifteenth report of the Advisory Committee on Administrative
and Budgetary Questions to the General Assembly at its
eighteenth session

CONTENTS

	<u>Paragraphs</u>
I. Introduction	1 - 7
II. Inter-organization administrative co-ordination	
A. General budgetary trends	8 - 10
B. The increased emphasis on operational activities . . .	11 - 21
C. The central machinery for co-ordination	22 - 27
D. Administrative and financial implications on the agencies of decisions taken by United Nations bodies	28 - 33
E. The common system	
(i) General	34 - 40
(ii) Travel standards	41 - 46
(iii) Classification of posts	47 - 54
(iv) The establishment of general service salaries . .	55 - 56
(v) Relationship between termination for health reasons and the award of a disability benefit	57 - 60
(vi) Staff assessment	61 - 63
(vii) Co-ordination of conference and meetings schedules	64 - 70

CONTENTS (continued)

	<u>Paragraphs</u>
III. Administrative budgets of the agencies	
A. Levels of the regular budgets	
(i) Amount of estimates or approved budgets	71 - 75
(ii) Established posts	76
(iii) Special projects and activities	77
B. Financing of regular budgets	
(i) Scales of assessments	78
(ii) Collection of contributions	79
(iii) Working capital funds	80
IV. Detailed comments on the 1964 budgets of the agencies:	
A. ILO	81 - 95
B. FAO	96 - 112
C. UNESCO	113 - 128
D. ICAO	129 - 137
E. UPU	138 - 141
F. WHO	142 - 153
G. ITU	154 - 163
H. WMO	164 - 181
I. IMCO	182 - 189
J. IAEA	190 - 205

I. INTRODUCTION

1. In accordance with its terms of reference, the Advisory Committee on Administrative and Budgetary Questions has examined the administrative budgets or budget estimates for 1964 of the following specialized agencies, whose agreements with the United Nations provide for transmittal or their budgets for review by the General Assembly:^{1/} International Labour Organisation (ILO); Food and Agriculture Organization of the United Nations (FAO); United Nations Educational, Scientific and Cultural Organization (UNESCO); International Civil Aviation Organization (ICAO); Universal Postal Union (UPU); World Health Organization (WHO); International Telecommunication Union (ITU); World Meteorological Organization (WMO); Inter-Governmental Maritime Consultative Organization (IMCO).
2. The Advisory Committee has also examined the administrative budget of the International Atomic Energy Agency (IAEA) for 1964, which has been transmitted in accordance with article XVI, paragraph 3, of the relationship agreement between the Agency and the United Nations.
3. The Advisory Committee offers, in part II of this report, comments on certain problems of administrative co-ordination among the agencies.
4. Part III contains comparative tables showing: (a) the levels of the budgets of the various agencies for 1964 and the corresponding figures for the five previous years; (b) the number of established posts for 1962, 1963 and 1964; and (c) the budgetary provisions for special projects and activities for the same three years. A second set of tables relating to the financing of the regular budgets shows: (a) the 1964 scales of assessments for the United Nations and the ten agencies; (b) the collection of contributions at 30 June and 30 September 1962 and 1963; and (c) the working capital funds for 1964.
5. Part IV of the present report is comprised of ten sections containing summary analyses of the 1964 budgets of the individual agencies and comments by the Advisory Committee on specific points which arose during the consideration of those budgets.

^{1/} Under the relevant agreements with the United Nations, the International Bank for Reconstruction and Development and the International Monetary Fund are not required to transmit their budgets for examination by the United Nations.

6. In its consideration of these various matters, the Advisory Committee had the advantage, in the case of certain of the agencies, of the personal participation of their executive heads in its meetings. For other agencies, the Committee had an opportunity to discuss these questions with representatives of the executive heads. As regards two of the smaller agencies, the Committee's review has been based on an adequate submission of documentation.

7. The General Assembly presumably will wish, as in prior years, to refer to the organizations concerned the observations of the Advisory Committee on their administrative budgets, as well as the records of the discussion thereon in the Assembly. It may also wish to request the Secretary-General to refer to the executive heads, through the consultative machinery of the Administrative Committee on Co-ordination (ACC), any matters arising in the present report and related discussion which call for attention by ACC.

II. INTER-ORGANIZATION ADMINISTRATIVE CO-ORDINATION

A. General budgetary trends

8. For the year 1964, Governments of Member States will be required to contribute approximately \$206 million^{2/} for the regular activities of the United Nations family of organizations. In addition, voluntary programmes (the Expanded Programme of Technical Assistance (EPTA), the United Nations Special Fund (UNSF), the United Nations Children's Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)) to which Member Governments are urged to contribute, are likely to amount to some \$200 million for that year.

9. As regards the combined budgets for regular activities, the total figure for 1964 is 6.62 per cent higher than the comparable figure for 1963. This over-all percentage figure does not, however, accurately reflect the 1964 situation as far as individual organizations or groups of organizations are concerned, partly because some of them operate on a biennial budget and partly because averaging results in a distortion of two clearly defined trends, one of stabilization, the other of expansion.

10. Whereas for the United Nations, ICAO and IAEA, 1964 is to be a year of containment, most of the larger specialized agencies are continuing their expansion to the extent of something like 15 per cent and contemplate maintaining a similar or even greater rate of growth in 1965. While expansion in some of the agencies is attributed in considerable measure to the strengthening of activities to meet the needs of the developing countries in their quest for accelerated economic and social progress, the Advisory Committee doubts whether these widely differing trends could be explained on the basis of relative priorities for international action. In this connexion, the Committee calls attention to the importance the General Assembly attaches to resolution 1797 (XVII) on an integrated programme and budget policy and to Economic and Social Council resolution 984 (XXXVI) which re-emphasizes the need for collective and mutually complementary efforts on the part of the United Nations family of organizations towards achieving the objectives of the United Nations Development Decade.

^{2/} A breakdown of this figure by organization is to be found in the table following paragraph 75 of this report.

B. The increased emphasis on operational activities

11. The growth potential of the organizations is dependent not only upon the readiness of Member Governments to approve new or enlarged programmes and to provide the necessary funds, but also upon the availability of manpower for the execution of these programmes. Initially, the work of most of the international organizations was essentially of a clearing-house character - conducting research, setting standards, and providing services - and the organization, type and size of their staff were determined by these functions. The change to operational activities and the increased emphasis now being placed on them has created new needs both in terms of organization and in terms of the type of staff required. These activities demand, both at Headquarters and in the field, highly qualified technicians for the preparation, supervision and evaluation of the projects and few, if any, of the organizations at present possess such staff in sufficient numbers for their headquarters needs alone. Most organizations informed the Advisory Committee that the recruitment of persons possessing the required technical competence remains difficult and in some cases is becoming increasingly so, inter alia, because they are in short supply, or because they cannot be spared by their present employer, or because of more attractive conditions offered by other employers, or because they are not prepared to interrupt a career by short-term service in the United Nations organizations. In the view of the Advisory Committee this makes it all the more important that the best possible use be made of available personnel and that any expansion of activities in individual organizations be kept within clearly defined boundaries in order to avoid unnecessary competition for staff. It is also important that decision-making bodies keep uppermost in their minds the manpower problem when considering the future expansion of programmes within the United Nations family of organizations.

12. One important result of the expansion of operational activities has been the shift of emphasis from headquarters to the field. Thus, several of the specialized agencies are laying increasing stress on regional offices and area or country chiefs of mission. Likewise, the United Nations regional economic commissions are steadily growing in importance as focal centres for the discussion and promotion of economic development.

13. At the same time, this expansion of operational activities has resulted in an increasing portion of the resources which Member Governments have been asked to provide for regular programme activities being substantially utilized for the provision of policy guidance, and for the co-ordination and servicing of field programmes. This is a matter of considerable concern to many organizations and some have stated that the quality and effectiveness of the regular programme are seriously impaired by the diversion of staff time to field operations.

14. The Advisory Committee understands that this question is under careful study in individual organizations, the Governing Council of the Special Fund and the Technical Assistance Committee, and it will have the benefit of these studies in carrying out the task entrusted to it under paragraph 7 (b) of resolution 900A (XXXIV)^{3/} adopted by the Economic and Social Council upon the recommendation of the Ad Hoc Committee on Co-ordination of Technical Assistance Activities.

15. In its report to the Council,^{4/} dated 18 April 1963, the Ad Hoc Committee noted that the participating agencies of ACC had expressed their readiness to co-operate fully with the Advisory Committee; their assistance will be sought early in 1964.

16. Increased emphasis on the operational role of the United Nations family of organizations has led to a greater degree of decentralization, this in turn placing added responsibility upon regional commissions and resident representatives in the planning, co-ordination and execution of the over-all programmes.

17. As regards the regional commissions, the Advisory Committee will, as requested by the General Assembly in resolution 1823 (XVII), submit a separate report to the General Assembly at its eighteenth session regarding further steps that may be necessary to carry out the Assembly's decisions on decentralization and the strengthening of the regional economic commissions.

^{3/} Paragraph 7 (b) is worded as follows: "Invites the General Assembly to authorize the Advisory Committee on Administrative and Budgetary Questions to bring up to date the studies which it made in response to General Assembly resolution 722 (VIII) of 23 October 1953, in the light of the developments which have occurred since the earlier studies were made, giving particular attention to the question of financial procedures and overhead costs of the programmes of technical co-operation ...".

^{4/} E/3750.

18. As far as resident representatives are concerned, the Advisory Committee notes that, in the opinion of ACC, the ten principles for field co-ordination between resident representatives and the specialized agencies, which were approved by ACC in October 1961, have, despite the short period during which they have been in effect, led to better understanding and more effective co-ordination in the field.

19. The ten principles, which were approved in response to paragraph 4 of Economic and Social Council resolution 856 (XXXII) as interpreted in the report of the Technical Assistance Committee to the Council,^{5/} are:

(a) All EPTA programming discussions between officials of the participating organizations and officials of the Government concerned should be held with the advance knowledge of the resident representatives and, as appropriate, with their participation;

(b) No request for a change in the approved EPTA programme for a given country should be forwarded by a participating organization to TAB headquarters without prior consultation with the resident representative and, through him, with the co-ordinating unit of the Government concerned;

(c) All agency chiefs of mission or country representatives should be briefed by their headquarters on the new co-ordinating role of the resident representative, and be told to work closely with him, keeping him fully informed of any major proposals or developments in so far as EPTA programming is concerned;

^{5/} Paragraph 156 of this report (E/3547) reads as follows:

"156. The sponsors explained that paragraph 4 of the draft resolution covered "technical co-operation" activities carried out under the Expanded Programme, the Special Fund and the regular programmes of the organizations, as well as the United Nations' Children's Fund. It was not intended to include the activities of the International Bank and the International Monetary Fund, except for technical assistance projects. As regards the recommendations in paragraph 4 that the resident representative "may, for purposes of co-ordination, be kept informed about and, as appropriate, associated with enquiries and negotiations concerning programmes of technical co-operation", the sponsors asked that the report of the Committee make it clear that it was not intended to interfere with negotiations of a technical nature which only professionally qualified staff members of the organizations should carry out. The use of the words "as appropriate" indicated that the Governments and the organizations could associate resident representatives in the negotiations when the latter were in a position to help, and did not constitute an obligation imposed on them, nor a service of which they had to make use."

(d) Resident representatives should be directed by the Executive Chairman of TAB to keep each agency fully informed of matters of interest to that agency and, in particular, of all discussions of such matters which they may have with governmental authorities;

(e) Resident representatives and agency chiefs of mission should act in closest co-operation with each other, and the latter should serve as technical advisers to the resident representatives in their respective fields, appropriate governmental authorities being informed of this arrangement;

(f) The Executive Chairman of TAB and resident representatives concerned should be informed promptly of the appointment of agency chiefs of mission. Newly appointed chiefs of mission in countries where there is a resident representative should be instructed to call on him at the outset. Appropriate use should also be made of his help in establishing contact with the central government;

(g) Resident representatives should be fully informed, beginning with the request stage, of all comparable programmes of technical assistance carried out by a participating organization, and their co-operation sought in ensuring full co-ordination between these programmes and programmes under EPTA;

(h) Resident representatives and all agency chiefs of mission should hold periodic meetings under the chairmanship of the resident representative, to increase mutual understanding and co-ordination at the country level;

(i) Participating organizations should keep resident representatives fully informed, as regional projects in which their countries might participate are being developed and carried out;

(j) Resident representatives should be given advance notice of all visits of headquarters officials of the participating organizations concerned with technical assistance, and kept fully informed of the purposes and results of discussions at the country level.

20. At the same time as it adopted the foregoing principles, ACC decided that further efforts were required to ensure consultations and co-operation between the regional economic commissions and the resident representatives, and agreed that the existing ad hoc arrangements for periodic meetings of resident representatives at the headquarters of the regional commissions should be systematized and the provision should be made for increasing agency participation in such meetings. The Advisory Committee notes that meetings were held, for the second consecutive year,

in 1963, in the four regions, at Bangkok, Addis Ababa, Mexico and Nicosia (Cyprus) and that a thorough exchange of information and views on the various programmes of technical co-operation led to a strengthening of the relationship between the resident representatives and the regional secretariats.

21. The Advisory Committee welcomes these initiatives of ACC and looks forward to further progress along the lines so far followed.

C. The central machinery for co-ordination

22. With such diversified, all-embracing and, sometimes, overlapping programmes, it is essential that there be very close co-ordination if the total resources of the organizations are to be put to their most effective use. At the present time, such co-ordination takes place in ACC at the Secretariat level and in the Economic and Social Council on the governmental level.

23. The Advisory Committee has taken cognizance of ACC's comprehensive report on inter-organization co-ordination, submitted to the thirty-sixth session of the Council in document E/3765, and, in particular, of ACC's suggestions for improving co-ordination. The Committee notes that in ACC's view, the various joint working groups and ad hoc consultative arrangements have proved effective and should be encouraged. It would seem, however, that such consultations are, more often than not, set in motion only once a programme has received legislative approval. Since the initiative in the formulation of programme rests, in certain cases, with the executive heads of agencies, and these programmes frequently involve the competence of more than one organization, it would seem to be essential that any proposals for new activities be discussed in detail with all interested organizations well before they are submitted for legislative action. Only if the ACC machinery operates at the planning stage while there is still room for flexibility will co-ordination be effective.

24. As regards the Economic and Social Council, the number and complexity of the problems with which it has to deal every year undoubtedly make it somewhat difficult for the Council to do full justice to its co-ordinating functions. This means, however, that considerable responsibility is placed upon all Member Governments to ensure adequate co-ordination within their own administrations, if they are to

speak with the same voice in the various organizations and not, for example, support expansion in one and stabilization in another, when the programmes of both are closely interrelated.

25. Another cause of difficulty for the Council in the exercise of its co-ordination responsibility is without doubt the volume of documentation it receives from the organizations, ACC, the Council's functional commissions and numerous other sources, much of it at a very late date. This question was touched upon by the Advisory Committee in its fifth report to the General Assembly at its eighteenth session,^{6/} in which it stated:

"Apart from the capacity of the Secretariat to produce the necessary documentation, it is evident that unless such documentation is made available to Member Governments well in advance of the meeting, their representatives are unable to have the necessary consultations and prepare their position before proceeding to the meeting. The Advisory Committee was informed that the documentation for the thirty-sixth session of the Economic and Social Council amounted to some 8,000 pages, less than one-half of which had been distributed within the time-limit laid down by the Council."

26. While ACC and the Council will each continue to consider ways and means of solving its own problems in the field of co-ordination, it has been evident to the Advisory Committee for some time that these two elements of the machinery were pursuing parallel courses and that contact between them was inadequate. It believes that there would be considerable advantage in establishing a closer working relationship between them, and it welcomes the decision taken by the Council at its thirty-sixth session^{7/} on initial steps in this direction. The Council is to discuss the matter further at its 1964 session.

27. The Advisory Committee was informed that a close working relationship exists between ACC and the Special Committee on Co-ordination, established under resolution 920 (XXXIV) by the Council with particular emphasis on the United Nations Development Decade. There is indeed little doubt that the Decade has placed increased emphasis on the need for co-ordination and concerted action if its objectives are to be achieved in an orderly manner and without overlapping.

^{6/} Official Records of the General Assembly, Eighteenth Session, Supplement No. 7 (A/5507), para. 69.

^{7/} Resolution 992 (XXXVI).

Expressed in broad terms, the main activities of the United Nations and the agencies are all related to basic factors of economic growth without any detailed indication as to the division of responsibilities. Most of these organizations are to play a role in the development of human and natural resources, industry and international trade, and it is therefore essential that they pay particular attention to the avoidance of duplication. The programme of phased proposals for the Decade was a significant co-operative effort and the Advisory Committee trusts that a similar degree of effective co-operation will be maintained during its implementation.

D. Administrative and financial implications on the Agencies
of decisions taken by United Nations bodies

28. Again this year, the Advisory Committee enquired into the impact upon the agencies of decisions taken by United Nations bodies, which impinge upon the established programme of work of one or other of the agencies or which call upon them to participate in certain activities for which they have no budgetary provision. The ILO, WHO, FAO and UNESCO all mentioned instances of such decisions having been taken without prior consultation with them.

29. By way of example, the ILO mentioned General Assembly resolution 1824 (XVII) which called for a comprehensive report on the training of technical personnel, one of the main fields of ILO activity and to which the ILO was consequently required to make a major contribution. In order to do so, it was necessary to employ additional temporary staff and the Director-General was obliged to ask the Governing Body for supplementary credits amounting to \$25,300 for 1963 and \$11,000 for 1964. While the Governing Body approved these credits, dissatisfaction was expressed at the circumstances which had led to the additional expenditure without an opportunity for prior consideration by the Governing Body.

30. As another example, WHO cited General Assembly resolution 1283 (XIII) of 5 December 1958 on an International Health and Medical Research Year and resolution 1398 (XIV) of 20 November 1959 on awards for outstanding research work in the causes and control of cancerous diseases, both of which had been adopted without prior consultation with WHO.

31. Many of the agencies referred to their own rules of procedure which make such consultations mandatory, and once again expressed their disappointment that the General Assembly has not as yet made provision for prior consultation before decisions are taken on new activities in fields which are of direct concern to them.

32. The Advisory Committee considers it most important that, when an agency is to be called upon to undertake some new task at the request of the General Assembly, there should be prior consultation on the nature and scope of the task, and on its financing, and, if the activity is to be a joint one, on the manner in which the various responsibilities are to be shared.

33. The ILO and WHO informed the Advisory Committee of the considerable inconvenience caused to them as a result of the dates finally fixed for the United Nations Conference on Trade and Development at Geneva. This matter is dealt with in paragraph 69 below.

E. The common system

(i) General

34. In accordance with Articles 57 and 63 of the Charter, agreements have been made between the United Nations and the specialized agencies wherein the parties "recognise that the eventual development of a single unified international civil service is desirable from the standpoint of effective administrative co-ordination, and, with this end in view, agree to develop common personnel standards, methods and arrangements designed to avoid serious discrepancies in terms and conditions of employment, to avoid competition in recruitment of personnel and to facilitate interchange of personnel in order to obtain the maximum benefit from their services".

35. The implementation of these agreements has resulted in the development, over the years, of what has become known as the "common system of salaries, allowances and related benefits". It is evident that, as the participating organizations have grown and their fields of activity have expanded, the common system has undergone substantial modification to reflect the changing situation. Thus the process of consultation and co-ordination, through the machinery of the Consultative Committee on Administrative Questions (CCAQ) and ACC, has been, and will no doubt remain, a continuing one.

36. The Advisory Committee believes that the maintenance of common standards of employment is necessary, in the interests of economy and efficiency of administration within a family of organizations which is pursuing a common purpose. Further, it believes that common standards can have no meaning if one or other of the organizations fail to apply them or deviate from them unnecessarily. This does not mean that it would insist on uniformity merely for the sake of uniformity. The Committee realizes that local problems may arise from time to time and that these must be met in a practical way, but, as a general rule and in the absence of very exceptional circumstances, it would expect the common standards to be applied.

37. In the course of its examination of the 1964 budgets of the specialized agencies, it became apparent to the Advisory Committee that there were a number of matters in which a greater degree of uniformity was desirable. Some of them are discussed in paragraphs 41 to 70 below. The Committee also observed that some of them had been the subject of consultation through CCAQ and ACC for a number of years.

38. The Advisory Committee has followed closely the measures which have been taken by ACC to implement its declared objective of reconstituting the International Civil Service Advisory Board (ICSAB) as a body having "such independence and weight of authority that it enjoyed the confidence of legislative bodies, executive heads and staff, and that the various organizations were consequently prepared to give effect to its recommendations."^{8/}

39. The Advisory Committee believes that ICSAB, reconstituted and with revised terms of reference as presented for endorsement by the General Assembly in annex II of document A/C.5/976, will be in a better position to meet the needs of the United Nations family of organizations for independent and authoritative judgements on the various aspects of the common system of salaries, allowances and other conditions of service in which close co-ordination is desirable.

40. However, as the Advisory Committee has stated in its ninth report to the General Assembly at its eighteenth session (A/5556), "it is of the opinion ... that real co-ordination in the application of the common system can be achieved only if the executive heads and legislative bodies are prepared to stand by the

^{8/} Official Records of the General Assembly, Seventeenth Session, Annexes, agenda item 69, document A/C.5/934, para. 6 (a).

recommendations of ICSAB. If this were not the case, the main purpose of the proposed change would be defeated and major obstacles in the field of co-ordination, to which ACC has referred,^{9/} would remain." The Advisory Committee realizes that what is proposed both by ACC and by the Committee itself may raise certain problems, but it trusts that respect for the collective judgement of the reconstituted ICSAB will be such that problems will not, in practice, arise.

(ii) Travel standards

41. The Advisory Committee would recall that in its 1962 review of inter-organizational administrative co-ordination,^{10/} it drew attention to continuing difficulties encountered by the various organizations in developing uniform travel standards, and expressed the opinion that revised rules adopted by WHO in May 1962 provided a possible basis for such standards. At the same time, in its report on the United Nations 1963 budget estimates, the Committee recommended adoption by the United Nations of the WHO travel rules.^{11/} The principal change involved was the extension up to the D-1 level of economy class for air travel regardless of the duration of the flight.

42. Following this recommendation, ACC decided that a study should be made of the travel practices of national administrations and ICAO agreed to undertake such a study. It was completed in February 1963 and was considered by CCAQ and ACC in March and April 1963.

43. The Advisory Committee notes with regret that these renewed efforts of ACC to achieve uniformity failed to produce the desired results. In paragraph 50 of document A/C.5/979, the Secretary-General has stated:

"the data ... left room for legitimate differences of opinion as to where the organizations should draw the line between first-class and tourist or economy class in air travel, though, broadly speaking, it appeared to be at about the P-5 level. Complete agreement among the organizations in the common system has therefore not yet proved possible, but progress has been made in that they have agreed that, in establishing travel accommodation standards for international officials, regard should be had to the standards prevailing for national officials of comparable rank and responsibilities. More specifically:

- (a) There is general agreement that, at least as regards travel by air on official business, first class should apply in the Director and Principal Officer category and above;

^{9/} Ibid., para. 5

^{10/} A/5332, para. 11.

^{11/} Official Records of the General Assembly, Seventeenth Session, Supplement No. 7, A/5207, para. 64.

- (b) A majority of organizations agree that, subject to easements for flights of long duration, tourist or economy class should apply at P-4 or below."

44. Notwithstanding the absence of agreement on uniform standards in CCAQ and ACC, the Advisory Committee has noted with satisfaction that the Secretary-General of the United Nations promulgated revised travel standards, effective 5 January 1963, on lines similar to those adopted by WHO, with one small point of difference,^{12/} and that UNESCO, FAO, WHO and IAEA have done likewise.^{13/} The Advisory Committee inquired of the executive heads (or their representatives) of those organizations which have adopted the revised standards about their experience with them during 1963. They were unanimous in declaring that the arrangements were working satisfactorily and that no major problems had been encountered.

45. The Committee noted that ILO, ICAO and ITU are applying the standards in force in most organizations^{14/} prior to the changes introduced by WHO, but that the matter is under continuing review.

46. The Committee hopes that uniformity of practice will be achieved by all organizations in the near future.

(iii) Classification of posts

47. The Advisory Committee inquired into the practices of the various organizations regarding the classification of posts. It ascertained that there was a considerable degree of uniformity on the principles of classification but that the formulation of common standards in application of these principles was proving somewhat difficult. This latter question has been entrusted to a Standing Committee of CCAQ since 1960.

^{12/} The United Nations standards provide, in the case of travel on official business only, for economy class at level P-5 and below rather than D-1 and below.

^{13/} ITU has also done likewise as regards technical assistance personnel.

^{14/} First class flights P-5 and above, economy or tourist class P-4 and below; first class regardless of grade for flights exceeding nine hours, other than transatlantic flights. However, ICAO recently decided that all levels below D-1 shall travel economy/tourist class for all types of air travel, but that the so-called nine hours' rule shall remain in effect.

48. As regards the principles of classification, the Committee concluded that there is general agreement among the organizations that:

- (a) The grade of a post should be determined solely by the level of the duties and responsibilities assigned to it;
- (b) The grade of a post may be changed only if the level of duties and responsibilities are changed;
- (c) The grade of an incumbent can be increased only if the duties and responsibilities of the post he occupies are increased^{15/} or if he is transferred to another post carrying duties and responsibilities of a higher level.

49. From the evidence it received, the Committee was satisfied that the foregoing principles, with which it agrees, are being generally applied. It did, however, discover a number of practices which, in its view, are inconsistent with the agreed principles and about which it has serious doubts.

50. It was informed, for instance, that in FAO there have been cases of recognition of the particular merit of an individual by the upward classification of his post. The Advisory Committee recognizes that cases may occasionally arise in which the personal capacities, energy and initiative of an incumbent develop a post, with advantage to his organization, beyond what had been originally required. It believes, however, that such a situation can be met in one of two ways only: either by upgrading the post in recognition of an increase in the level of duties and responsibilities assigned to it, or by the transfer of the individual to some other post, the level of duties and responsibilities of which is commensurate with his capacities. It is evident that this question involves not only classification principles but also promotion policy, and that the adoption of "personal promotions" by one organization in the United Nations family may have repercussions on the others. The Committee consequently shares the misgivings of the FAO Council, as reflected in the report of its fortieth session. In the interests of the common system, it would suggest that the whole matter be remitted to ICSAB for consideration when it undertakes the study of promotion and career prospects, as recommended in the fifth report of the Advisory Committee to the General Assembly at its eighteenth session.^{16/}

^{15/} This does not preclude the correction of an erroneous classification.

^{16/} Official Records of the General Assembly, Eighteenth Session, Supplement No. 7 (A/5507), para. 131.

51. Another practice which constitutes an apparent divergence from the agreed principles of classification has also been commented upon in that report.^{17/} The practice involves a budgetary provision for the reclassification of a number of posts, not specifically identified, to provide promotion opportunities for existing staff and to permit, in certain particular cases, appointments at levels other than the normal entrance levels. The Committee believes that any reclassification of posts designed primarily for promotion purposes is open to serious question.

52. As regards common classification standards, the Advisory Committee recalls that, in 1960, ICSAB formulated a number of basic elements^{18/} which should be taken into consideration in formulating such standards. ICSAB also concurred in the view of the participating organizations that, while each organization must take responsibility for the determination of grades, a common system could be achieved only if some joint advisory body elaborated the standards by which the level of duties and responsibilities could be measured. Accordingly ICSAB supported the establishment of a standing committee of CCAQ to make inter-organization comparisons of grade and to advise on the application of any standards developed by ICSAB.

53. The Standing Committee's work to date has, understandably, been largely exploratory, but it has nevertheless drawn up a list of basic elements for determining grades in the professional category which are to be used as guide-lines in the preparation of more detailed descriptions for clearly identifiable classes of posts. The Advisory Committee hopes that standards acceptable to all organizations will eventually emerge. In its view, the adoption of common grading standards is an essential element of the over-all common system.

54. Even when this has been achieved, there may still remain problems in the application of the agreed standards, seeing that some executive heads (WHO, UNESCO, FAO) have authority to adjust gradings within the limits fixed by budgetary provisions, whereas others (the United Nations and ILO) do not have such authority.

^{17/} Ibid., paras. 124-127.

^{18/} Document ICSAB/IX/5, para. 13.

(iv) The establishment of General Service salaries

55. In May 1963, ACC approved proposals made by CCAQ, concerning methods of establishing General Service rates of pay and related allowances. There is no change in the fundamental principle that General Service salaries should be based on the best prevailing conditions in the locality, and the new inter-organization agreement is concerned mainly with methodology, many aspects of which had previously been the subject of differences of opinion.

56. Since one of the specific functions of the reconstituted ICSAB is to review and make recommendations on "the methods of and the criteria for establishing the conditions of service of staff in the General Service category and the manner in which the criteria are applied in the headquarters areas,"^{19/} the Advisory Committee would suggest that ICSAB review the inter-organization agreement before it is finalized.

(v) Relationship between termination for health reasons and the award of a disability benefit

57. At its seventeenth session, the General Assembly, upon the recommendation of the Joint Staff Pension Board, decided^{20/} to amend article V (Disability benefits) of the Pension Fund Regulations in such a way as to harmonize its terms with those of the Staff Regulations providing for termination for reasons of health.^{21/} The purpose of the amendment was to ensure that the same criteria were used for termination and for the award of a disability benefit, or conversely to avoid the application of one standard for termination and a different one for the award of a disability benefit.

^{19/} A/C.5/976, annex II, para. 7 (2) (c).

^{20/} Resolution 1799 (XVII).

^{21/} United Nations Staff Regulation 9.1 (a) provides that a permanent appointment may be terminated if the staff member "is, for reasons of health, incapacitated for further service". Other organizations have a regulation or rule which is substantially similar. The amended article V of the Joint Staff Pension Fund Regulations provides for the payment of a disability benefit to a participant who becomes incapacitated for further service owing to serious physical or mental impairment of a long-term character.

58. In its report to the General Assembly on this question,^{22/} the Advisory Committee stated that "the Committee understands that there have been cases in the past where participants were terminated by member organizations for health reasons but failed to qualify for a disability benefit" and it urged a standardization of procedure by all member organizations in this regard. The Fifth Committee endorsed this recommendation.

59. The Advisory Committee was informed that the matter has been considered by CCAQ and ACC, but that no agreement has yet been reached to apply the same medical criteria for termination on health grounds under regulation 9.1 (a) of the United Nations Staff Regulations (and the corresponding provision in other organizations) and for the award of a disability benefit under article V of the Joint Staff Pension Fund Regulations. Some organizations seem to consider that, in certain cases, termination for health reasons can be justified on the basis of different circumstances or a lesser degree of incapacity than is required for the payment of a disability benefit, and one of them (ICAO) does in fact have provision in its Service Code for termination in such circumstances. None of the other organizations have such a provision and since the criteria, in their case, for termination for health reasons and for the award of a disability benefit would appear to be virtually the same, the Advisory Committee fails to see how they can lead to conflicting decisions, the legal validity of which is open to question.

60. The Advisory Committee noted that in WHO a staff member is not terminated on health grounds before his eligibility for a disability benefit has been determined, and the same medical evidence is used for both purposes. Such a procedure would appear to establish the necessary link between the two sets of circumstances and the Committee recommends that the other organizations give serious consideration to the adoption of similar arrangements.

(vi) Staff assessment

61. The Advisory Committee ascertained that, whereas a staff assessment plan continues to be applied by the United Nations and ICAO only, other organizations have taken steps towards the introduction of such a plan. FAO, ILO, WHO and IAEA are to

^{22/} Official Records of the General Assembly, Seventeenth Session, Annexes, agenda item 71, document A/5252.

adopt staff assessment as of 1 January 1964, and UNESCO on 1 January 1965, the dates corresponding to the beginning of the next budgetary period. WMO, ITU, UPU and IMCO have not signified their intention of doing likewise.

62. The Advisory Committee would recall that, in 1960, the Pension Review Group stated that "until all organizations apply a realistic staff assessment plan, there can be no fully satisfactory solution to the pension problems. We feel bound to express our regret that so many organizations have not, until the pension problem arose, seen any virtue in a gross salary system."^{23/} Further, in recommending adoption by the General Assembly of the Group's proposals, endorsed with one or two minor amendments by the Joint Staff Pension Board, the Secretary-General stated that "the executive heads agree with the Expert Group that, in principle, full gross pay is the appropriate basis for pensionable remuneration, but they appreciate the reasons why the Expert Group was unable to recommend its full implementation at the present time. The establishment of an effective gross salary system in all the participating organizations in the Pension Fund is, however, a matter which is already under consideration by the ACC ... "^{24/} In 1961, agreement was reached in ACC on revised rates of staff assessment and they were approved by the General Assembly at its sixteenth session.^{25/}

63. In the light of the foregoing, the Advisory Committee would hope that those organizations which have not so far taken the necessary steps for the introduction of gross salary scales will do so at the earliest opportunity.

(vii) Co-ordination of conference and meetings schedules

64. The increasing number of meetings being convened in Geneva is giving rise to serious problems. The Palais des Nations is the only building which can accommodate a major conference at which all Member States are represented, albeit with limited facilities.

^{23/} Ibid., Fifteenth Session, Annexes, agenda item 63, document A/4427.

^{24/} Ibid., document A/4468, para. 8.

^{25/} Resolution 1658 (XVI).

65. One obvious solution to the problem is to ensure that the number of meetings convened in Geneva at no time exceeds the available facilities. Recommendations to this effect were made both by the Secretary-General and by the Advisory Committee to the Economic and Social Council at its thirty-sixth session and some positive results have been achieved as far as the number of meetings to be held in 1964 is concerned.
66. A reduction in the over-all number of meetings is not, however, a complete solution; the total schedule must be rationalized and closely co-ordinated if the essential needs of all organizations are to be met in a satisfactory manner.
67. In section II of resolution 909 (XXXIV), the Council requested ACC:
- "(a) To take such steps as might be necessary to facilitate the co-ordination of conferences and meetings of the organizations for 1963-1964, and
 - "(b) To suggest to the Council, at its thirty-sixth session, means whereby the schedules of conferences and meetings of the United Nations and its related agencies may be simplified and systematically co-ordinated on a continuing basis."
68. In its report to the Council,^{26/} ACC indicated that it had taken steps to limit and rationalize the schedule of its own subsidiary bodies; it was keeping the possibilities of further streamlining in this regard under constant review, and would exert its influence in the same direction with the Committees and other inter-governmental bodies concerned. ACC concluded that, in the last analysis, the matter was in the hands of the inter-governmental bodies. It is they who take the decisions to convene meetings and they must, in so doing, ensure the largest possible measure of co-ordination. This is particularly important when meetings are to be added to a pre-arranged agreed schedule.
69. The Advisory Committee was informed that the decision to hold the United Nations Conference on Trade and Development from 23 March until 15 June 1964 had seriously interfered with the established pattern of meetings of the International Labour Conference and the World Health Assembly in 1964. Traditionally, the former has been convened in the first week of June, and the latter in May of each year. As a result of the above-mentioned decision, the International Labour Conference must be postponed by two weeks and the World Health Assembly advanced by two months. For both organizations the change in

dates has resulted in some disruption in the programme cycle, and in inconvenience to representatives who time other activities in which they participate in relation to the traditional dates for the Geneva meetings. The change in dates may also result in additional costs to the organizations concerned in respect of contractual arrangements already made with interpreters, translators, etc. The Committee was informed that the whole mechanism of these annual meetings of legislative bodies is so intricate and delicately balanced that they can function efficiently only on the basis of stable arrangements. Both organizations have stressed the importance of avoiding any repetition of the kind of decision referred to above.

70. In the Advisory Committee's opinion, the best safeguard against such difficulties is long-term planning.

III. ADMINISTRATIVE BUDGETS OF THE AGENCIES

A. Levels of the regular budgets

(1) Amount of estimates or approved budgets

71. The gross totals of the 1964 budgets or budget estimates of the several agencies and the United Nations are shown in the following table, together with the appropriation figures for 1963 and the actual expenditure figures for each of the years 1959, 1960, 1961 and 1962.

72. The 1964 appropriations or estimates of the nine specialized agencies and of the IAEA amount in the aggregate to \$111 million (including generally the administrative and operational services costs of technical assistance), an increase of approximately \$10 million, or about 10.24 per cent, over the corresponding 1963 appropriations.

73. In respect of each agency, an indication of the main factors contributing to the increase (or decrease) in the 1964 budget, by comparison with 1963, is given under the respective agency headings in paragraphs 81 to 205 of the present report.

74. The Advisory Committee has already commented in its report on the 1964 budget estimates of the United Nations on the cumulative effect which these budgets and the regular budget of the United Nations will have upon the amounts which Member States of the organizations will be called upon to pay in 1964.^{27/} The level of total regular budget amounts has already passed the \$207 million mark.

75. The table below shows that the total increase for the United Nations and agencies between 1963 appropriations and 1964 appropriations or estimates is of the order of 8.69 per cent. A similar comparison with the last year for which actual expenses are known (1962) would show an increase of approximately 21.11 per cent.

^{27/} Official Records of the General Assembly, Eighteenth Session, Supplement No. 7, (A/5507), paras. 4 and 5.

(ii) Established posts

76. The number of established posts authorized or requested under the regular budgets for the three years 1962, 1963 and 1964 is given below:

Organization	1962	1963	1964	Increase or (decrease) 1962-1964		Increase 1963-1964	
				Number	Percent	Number	Percent
ILO ^{a/}	1,096	1,181	1,215	119	10.86	34	2.88
FAO	1,695	1,695	1,994	299	17.64	299	17.64
UNESCO	1,133	1,289 ^{b/}	1,300 ^{b/}	167	14.74	11	0.85
ICAO	482	520	525	43	8.92	5	0.96
UPU	43	50	59	16	37.21	9	18.00
WHO	1,724	1,819	2,139 ^{c/}	415	24.07	320	17.59
ITU	352	350	358	6	1.70	8	2.29
WMO	79	79	111	32	40.51	32	40.51
IMCO	40	43	56	16	40.00	13	30.23
IAEA ^{d/}	730	707	722	(8)	(1.10)	15	2.12
Sub-total, agencies	7,374	7,733	8,479	1,105	14.98	746	9.65
United Nations ^{e/}	5,167	5,465	5,469	302	5.84	4	0.07

- ^{a/} Includes posts at branch offices, posts of full-time national correspondents and posts of full-time maintenance staff; excludes posts under extra-budgetary funds.
- ^{b/} Includes twenty-six posts (2 per cent of number of established posts authorized) to provide a margin for meeting programme requirements in accordance with the appropriation resolution for 1963-1964.
- ^{c/} Includes 267 posts relating to the malaria eradication field programme incorporated in the regular budget pursuant to the Fourteenth World Health Assembly resolution (WHA 14.15).
- ^{d/} Includes staff in the maintenance and operatives services (1964: 94; 1963: 91; 1962: 106).
- ^{e/} Includes staff of the Office of the United Nations High Commissioner for Refugees (1964: 232; 1963: 252; 1962: 252); Registry of the International Court of Justice, the Hague (thirty in each of the years); and the local staff at Information Centres and the Regional Economic Commissions - ECA, ECAFE and ECLA (1964: 708; 1963: 684; 1962: 607).

(iii) Special projects and activities

77. The provisions in the several budgets or budget estimates for special projects and activities are as follows:

	1962 \$	1963 \$	1964 \$
ILO	845,000	1,362,500	1,612,500
FAO	585,880	1,557,120	1,098,200
UNESCO	4,758,198	5,367,625	5,487,257
ICAO	1	83,448	86,648
UPU	77,430	56,715	92,594
WHO	2,628,172	2,974,638	3,478,138
ITU	-	-	-
WMO	19,500	75,831	37,500 ^{a/}
IMCO	-	-	-
IAEA	1,555,500	1,783,000	1,786,000

^{a/} Excluding special projects to be financed by the new WMO Development Fund (see para. 166).

78. The following table shows the scales of assessment for the United Nations and the ten agencies for 1964:

(1) Scales of assessments

Members ^{a/}	United Nations ^{b/} (per cent)	ITO (per cent)	FAO ^{c/} (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	Unit Class	ITU ^{d/} (per cent)	WMO (per cent)	IMCO ^{e/} (per cent)	IATA (per cent)
Afghanistan	0.05	0.12	0.07	0.05	0.13	0.32	0.05	1/2	0.09	0.09	-	0.05
Albania	0.04	0.12	-	0.04	-	0.32	0.04	1/2	0.09	0.09	-	0.04
Algeria	0.10	-	-	-	-	1.57	0.04	3	0.54	0.09	-	-
Argentina	1.01	1.38	1.35	0.96	1.21	2.62	0.92	15	2.72	1.31	1.05	0.93
Australia	1.66	1.84	2.22	1.58	2.39	2.62	1.50	20	3.63	1.75	0.66	1.53
Austria	0.45	0.35	0.60	0.43	0.46	0.52	0.41	1	0.18	0.52	-	0.41
Belgium	1.20	1.36	1.61	1.14	1.58	1.57	1.09	4	0.72	1.23	0.76	1.11
Bolivia	0.04	0.12	0.04	0.04	0.13	0.32	0.04	3	0.54	0.26	-	0.04
Brazil	1.03	1.34	1.38	0.98	1.63	2.62	0.93	25	4.53	1.31	1.02	0.95
Bulgaria	0.20	0.19	-	0.19	-	0.52	0.18	1	0.18	0.35	0.33	0.18
Burma	0.07	0.14	0.09	0.06	0.13	0.32	0.06	3	0.54	0.26	0.33	0.06
Burundi	0.04	0.12	-	0.04	-	0.11	0.04	1/2	0.09	0.09	-	-
Byelorussian SSR	0.52	0.45	-	0.50	-	0.52	0.47	1	0.18	0.52	-	0.48
Cambodia	0.04	-	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	0.33	0.04
Cameroon	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	0.33	-
Canada	3.12	3.37	4.18	2.98	4.52	2.62	2.83	18	3.26	2.63	1.64	2.88
Central African Republic	0.04	0.12	0.04	0.04	0.13	-	0.04	1/2	0.09	0.09	-	-
Ceylon	0.09	0.12	0.12	0.08	0.13	0.52	0.08	1	0.18	0.26	-	0.08
Chad	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Chile	0.26	0.33	0.35	0.25	0.36	0.52	0.24	3	0.54	0.44	-	0.24
China	4.57	2.04	-	2.50	0.67	2.62	4.14	15	2.72	3.77	0.96	4.22
Colombia	0.26	0.37	0.35	0.25	0.47	0.52	0.24	3	0.54	0.35	-	0.24
Congo (Brazzaville)	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Congo (Leopoldville)	0.07	0.12	0.09	0.06	0.13	0.32	0.06	1	0.18	0.35	-	0.06
Costa Rica	0.04	0.12	0.04	0.04	0.13	0.32	0.04	3	0.54	0.09	-	-
Cuba	0.22	0.29	0.29	0.21	0.33	0.32	0.20	1	0.18	0.26	-	0.20
Cyprus	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Czechoslovakia	1.04	0.92	-	1.12	1.00	1.57	1.06	5	0.91	0.96	0.33	1.08
Dahomey	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Denmark	0.58	0.71	0.78	0.55	0.82	0.95	0.53	5	0.91	0.70	1.70	0.53

Members ^{a/}	United Nations b/ (per cent)	ILO (per cent)	FAO ^{c/} (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	Unit Class	ITU ^{d/} (per cent)	WMO (per cent)	IMCO ^{e/} (per cent)	IAEA (per cent)
Dominican Republic	0.05	0.12	0.07	0.05	0.13	0.32	0.05	3	0.54	0.09	0.33	0.05
Ecuador	0.06	0.12	0.08	0.06	0.13	0.32	0.05	1	0.18	0.09	0.33	0.06
El Salvador	0.04	0.12	0.04	0.04	0.13	0.32	0.04	3	0.54	0.09	-	0.04
Ethiopia	0.05	0.12	0.07	0.05	0.13	0.32	0.05	1	0.18	0.17	-	0.05
Germany (Federal Republic of)	-	4.34	7.63	5.44	5.77	2.62	5.17	20	3.63	4.64	3.46	5.26
Federation of Rhodesia and Nyasaland	-	-	-	-	-	-	0.02	1	0.18	0.44	-	-
Finland	0.37	0.30	0.50	0.35	0.42	0.95	0.33	3	0.54	0.52	0.83	0.34
France	5.94	6.08	7.95	5.67	7.03	2.62	5.39	30	5.43	4.55	3.60	5.48
French Overseas Territories	-	-	-	-	-	0.32 ^{e/}	-	5	0.91	-	-	-
French Polynesia	-	-	-	-	-	-	-	-	-	0.09	-	-
French Somaliland	-	-	-	-	-	-	-	-	-	0.09	-	-
Gabon	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Ghana	0.09	0.12	0.12	0.08	0.13	0.32	0.08	1	0.18	0.17	0.33	0.08
Greece	0.23	0.21	0.31	0.22	0.32	0.52	0.21	1	0.18	0.26	4.05	0.21
Guatemala	0.05	0.12	0.07	0.05	0.13	0.32	0.05	1	0.18	0.09	-	0.05
Guinea	0.04	0.12	0.04	0.04	0.13	0.32	0.04	1	0.18	0.09	-	-
Haiti	0.04	0.12	0.04	0.04	0.13	0.32	0.04	1	0.18	0.09	0.33	0.04
Holy See	-	-	-	-	-	0.11	-	1/2	0.09	-	-	0.04
Honduras	0.04	0.12	0.04	0.04	0.13	0.32	0.04	2	0.36	0.09	0.40	0.04
Hong Kong	-	-	-	-	-	-	-	-	-	0.09	-	-
Hungary	0.51	0.42	-	0.53	-	0.95	0.51	1	0.18	0.52	-	0.52
Iceland	0.04	0.12	0.04	-	0.13	0.11	0.04	1/2	0.09	0.09	0.40	0.04
India	2.03	2.96	2.72	1.94	2.27	2.62	1.84	20	3.63	2.28	1.24	1.87
Indonesia	0.45	0.43	0.60	0.43	0.44	1.57	0.41	5	0.91	0.70	0.52	0.41
Iran	0.20	0.27	0.27	0.19	0.22	0.52	0.18	1	0.18	0.26	0.33	0.18
Iraq	0.09	0.12	0.12	0.08	0.13	0.11	0.08	1	0.18	0.09	-	0.08
Ireland	0.14	0.23	0.19	0.13	0.28	0.95	0.13	3	0.54	0.26	0.43	-
Israel	0.15	0.12	0.20	0.14	0.31	0.32	0.14	1	0.18	0.26	0.54	0.14
Italy	2.24	2.36	3.00	2.14	2.57	2.62	2.03	8	1.45	2.28	3.74	2.07
Ivory Coast	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	0.33	-
Jamaica	0.05	0.12	-	0.05	0.13	0.11	0.04	1	0.18	0.09	-	-

	1959 Actual expenses US\$	1960 Actual expenses US\$	1961 Actual expenses US\$	1962 Actual expenses US\$	1963 Appropriations US\$	1964 Appropriations or estimates US\$	1964 Increase by comparison with 1962 US\$	1964 Percentage increase by comparison with 1962	1964 Increase (or decrease) by comparison with 1963 US\$	1964 Percentage increase (or decrease) by comparison with 1963
ILO	9,096,049	9,583,933	10,646,592 ^{d/}	12,737,507 ^{d/}	14,577,834	16,977,156	4,239,649	33.28	2,399,322	16.46
PAO	10,530,182	10,591,973	11,105,665	14,368,342	16,816,658 ^{d/}	19,446,470 ^{b/}	5,078,128	35.34	2,629,812	15.64
UNESCO	12,590,916	13,507,868	15,834,525 ^{d/}	18,189,035 ^{d/}	19,177,302	19,822,698	1,633,663	8.98	645,396	3.37
ICAO	4,497,238	4,620,290	4,793,187	5,503,010	5,827,028	5,907,926	404,916	7.36	80,898	1.39
UPU	619,154	646,552	708,657	731,598	899,537	1,346,528	614,930	84.05	446,991	49.69
WHO	15,378,981	17,121,583 ^{d/}	19,201,885 ^{d/}	24,164,650 ^{d/}	30,394,106 ^{d/}	34,065,100 ^{d/}	9,900,450 ^{d/}	40.97 ^{d/}	3,671,000 ^{d/}	12.08 ^{d/}
ITU	2,695,818	2,313,270	2,789,050	3,409,714	4,103,038 ^{d/}	3,926,354	516,640	15.15	(176,678)	(4.31)
WMO	502,432	621,525	683,278	771,166	935,435 ^{d/}	1,267,599 ^{d/}	496,433	64.37	332,160	35.51
IMCO	163,611	284,307	270,979	471,100	421,250	630,870	159,770	33.91	209,620	49.76
IAEA	4,494,610	5,158,145	6,050,557	6,446,139	7,337,500	7,444,500	998,361	15.49	107,000	1.46
Sub-total (special- ized agencies and LAEA)	60,568,991	64,449,426	72,024,375	86,792,261	100,489,680	110,835,201	24,042,940	27.70	10,345,521	10.30
United Nations	61,946,442	65,772,849	71,096,378	84,492,350	93,911,050	96,611,350	12,159,000	14.40	2,700,300	2.88
GRAND TOTAL	122,515,433	130,222,275	143,120,753	171,284,611	194,400,730	207,446,551	36,201,940	21.14	13,045,821	6.71

NOTE: The following rates of exchange have been used in the above table: Canadian dollars at par; Swiss francs - 4.34 = \$US1.00 in 1959;
4.30 = \$US1.00 in 1960-1961; 4.32 = \$US1.00 in 1962-1964.

- a/ Including \$232,314 made by withdrawal from the Working Capital Fund, subject to reimbursement through the 1963 budget, in accordance with supplementary credits authorized by the Governing Body.
- b/ 1964 part of the budget for 1964-1965.
- c/ Including an advance (1961: \$421,000; 1962: \$306,000) from the Working Capital Fund authorized by the Executive Board in relation to the construction of additional Headquarters premises and increases in staff salaries and allowances.
- d/ Excluding undistributed reserves - 1960: \$1,195,060; 1961: \$1,333,900; 1962: \$1,683,140; 1963: \$2,149,570; 1964: \$2,223,130.
- e/ Budget for 1963 includes additional credits of \$249,190 approved by the Administrative Council at its eighteenth session in March-April 1963, raising the gross budget from \$3,853,842 to \$4,103,032.
- f/ By resolution 44 (E2-XIV) the Executive Committee authorized the original budget appropriation of \$314,378, but also provided for the re-appropriation of the 1962 budgetary surplus to 1963 (\$25,061). A further supplementary estimate of \$96,000 was approved by members by correspondence to cover new urgent projects.
- g/ First year of the fourth financial period (1964-1967) for which the total appropriations are \$5,373,581.
- h/ Balance of 1962-1963 biennial budget after reduction of 1962 expenditure.
- i/ Pursuant to the Fourteenth World Health Assembly resolution WHA 14.15, the costs of the malaria eradication field programme have been incorporated in the regular budget in stages, ending in 1964. The increase in the 1962 appropriations over 1961 includes \$2,000,000 for malaria eradication; the increase in the 1963 appropriations over those for 1962 includes an additional \$2,000,000; and the increase in the 1964 appropriations over those for 1963 includes a further amount of \$1,363,000. If these increases for the malaria eradication programme, which reflect a change in the method of financing that programme (previously financed from voluntary contributions in the Malaria Eradication Special Account), are excluded, the 1964 increase by comparison with 1962 is \$6,571,450 or 27.05 per cent and by comparison with 1963 \$2,308,000 or 7.59 per cent.
- j/ Including \$1,118,669 made by withdrawal from the Working Capital Fund, subject to reimbursement through the 1964 budget, in accordance with supplementary credits authorized by the Governing Body.

Members ^{a/}	United Nations b/ (per cent)	ILO (per cent)	FAO ^{c/} (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	Unit Class	ITU ^{d/} (per cent)	WMO (per cent)	IMCO ^{e/} (per cent)	IAEA (per cent)
Japan	2.27	2.00	3.04	2.17	2.34	2.62	2.06	25	4.53	2.28	5.70	2.09
Jordan	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Kenya	-	-	-	-	-	-	0.02	1/2	0.09	0.09 ^{f/}	-	-
Korea (Republic of)	-	-	0.25	0.18	0.18	0.95	0.17	1	0.18	0.17	0.33	0.17
Kuwait	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	0.33	-
Laos	0.04	-	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Lebanon	0.05	1.12	0.07	0.05	0.23	0.11	0.05	1/2	0.09	0.09	-	0.05
Liberia	0.04	0.12	0.04	0.04	0.13	0.11	0.04	3	0.54	-	6.34	0.04
Libya	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Liechtenstein	-	-	-	-	-	0.11	-	1/2	0.09	-	-	-
Luxembourg	0.05	0.12	0.07	0.05	0.13	0.32	0.05	1/2	0.09	0.09	-	0.05
Madagascar	0.04	0.12	0.04	0.04	0.13	0.32	0.04	1	0.18	0.09	0.33	-
Malaysia	0.13	0.20	0.17	0.12	0.13	0.32	0.12	3	0.54	0.17	-	-
Mali	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	-	0.04
Mauritania	0.04	0.12	0.04	0.04	0.13	-	0.04	1/2	0.09	0.09	0.33	-
Mauritius	-	-	-	-	-	-	0.02	-	-	0.09	-	-
Mexico	0.74	0.76	0.99	0.71	0.95	1.57	0.67	8	1.45	0.87	0.45	0.68
Monaco	-	-	-	0.04	-	0.11	0.04	1/2	0.09	-	-	0.04
Mongolia	0.04	-	-	0.04	-	0.11*	0.04	-	-	0.09	-	-
Morocco	0.14	0.14	0.19	0.13	0.20	0.95	0.13	1	0.18	0.17	0.33	0.13
Nepal	0.04	-	0.04	0.04	0.13	0.32	0.04	1/2	0.09	-	-	-
Netherlands	1.01	1.14	1.35	0.96	2.34	1.57	0.92	10	1.81	1.05	3.27	0.93
Netherlands Antilles	-	-	-	-	-	0.32 ^{g/}	-	-	-	0.09	-	-
New Caledonia	-	-	-	-	-	-	-	-	-	0.09	-	-
New Zealand	0.41	0.47	0.55	0.39	0.48	2.62	0.37	5	0.91	0.52	0.47	0.38
Nicaragua	0.04	0.12	0.04	0.04	0.13	0.32	0.04	1	0.18	0.09	-	0.04
Niger	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	-	-
Nigeria	0.21	0.21	0.28	0.20	0.24	0.52	0.19	2	0.36	0.26	0.33	-
Norway	0.45	0.51	0.60	0.43	0.71	0.95	0.41	5	0.91	0.61	7.44	0.41
Pakistan	0.42	0.60	0.56	0.40	0.50	2.62	0.38	15	2.72	0.52	0.51	0.39
Panama	0.04	0.12	0.04	0.04	0.13	0.32	0.04	3	0.54	-	2.52	-
Paraguay	0.04	0.12	0.04	0.04	0.13	0.32	0.04	1	0.18	0.09	-	0.04
Peru	0.10	0.18	0.13	0.09	0.13	0.52	0.09	2	0.36	0.35	-	0.09

Members ^{a/}	United Nations ^{b/} (per cent)	ILO (per cent)	FAO ^{c/} (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	Unit Class	ITU ^{d/} (per cent)	WMO (per cent)	IMCO ^{e/} (per cent)	IAEA (per cent)
Philippines	0.40	0.37	0.54	0.38	0.39	0.11	0.36	1	0.18	0.52	-	0.37
Poland	1.28	1.24	1.71	1.22	1.18	1.57	1.16	3	0.54	1.23	0.83	1.18
Portugal	0.16	0.27	0.21	-	0.24	0.95	0.14	8	1.45	0.44	-	0.15
Portuguese East Africa	-	-	-	-	-	0.95 ^{h/}	-	-	-	0.17	-	-
Portuguese Overseas Prov.	-	-	-	-	-	-	-	8	1.45	-	-	-
Portuguese West Africa	-	-	-	-	-	0.95	-	-	-	0.09	-	-
Romania	0.32	0.44	0.43	0.30	-	1.57	0.29	1	0.18	0.44	-	0.29
Rwanda	0.04	0.12	-	0.04	-	0.11	0.04	1/2	0.09	0.09	-	-
San Marino	-	-	-	-	-	0.11	-	-	-	-	-	-
Sarawak - North Borneo	-	-	-	-	-	-	-	-	-	-	0.33	-
Saudi Arabia	0.07	-	0.09	0.06	0.13	0.11	0.06	1	0.18	0.09	-	0.06
Senegal	0.05	0.12	0.07	0.05	0.13	0.32	0.05	1	0.18	0.09	0.33	0.05
Sierra Leone	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Singapore - British Borneo Group	-	-	-	-	-	-	-	1/2	0.09	0.26	-	-
Somalia	0.04	0.12	0.04	0.04	-	0.11	0.04	1	0.18	-	-	-
South Africa	0.53	0.77	0.71	-	0.64	2.62	0.48	8	1.45	0.87	-	0.49
Spain	0.86	1.05	1.15	0.82	0.98	2.62	0.78	3	0.54	0.96	1.47	0.79
Spanish Guinea	-	-	-	-	-	-	-	-	-	0.09	-	-
Spanish Provinces in Africa	-	-	-	-	-	0.11	-	1	0.18	-	-	-
Sudan	0.07	0.12	0.09	0.06	0.13	0.11	0.06	1	0.18	0.17	-	0.06
Surinam	-	-	-	-	-	1/2	-	-	-	0.09	-	-
Sweden	1.30	1.59	1.74	1.24	1.63	1.57	1.18	10	1.81	1.40	2.70	1.20
Switzerland	-	1.26	1.27	0.91	1.43	1.57	0.86	10	1.81	1.14	0.44	0.88
Syria	0.05	0.12	0.07	0.05	0.13	0.11	0.05	1	0.18	0.17	0.33	0.05
Tanganyika	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1/2	0.09	0.09	-	-
Thailand	0.16	0.20	0.21	0.15	0.18	0.32	0.14	3	0.54	0.35	-	0.15
Togo	0.04	0.12	0.04	0.04	-	0.11	0.04	1/2	0.09	0.09	-	-
Trinidad and Tobago	0.04	0.12	-	0.04	0.13	0.11	0.04	-	-	0.09	-	-
Tunisia	0.05	0.12	0.07	0.05	0.13	0.52	0.05	1	0.18	0.09	0.33	0.05

Members	United Nations b/ (per cent)	ILO (per cent)	FAO c/ (per cent)	UNESCO (per cent)	ICAO (per cent)	UPU (per cent)	WHO (per cent)	Unit Class	ITU d/ (per cent)	WMO (per cent)	IMCO e/ (per cent)	IAEA (per cent)
Turkey	0.40	0.69	0.54	0.38	0.38	1.57	0.36	5	0.91	0.52	0.75	0.37
Uganda	0.04	0.12	-	0.04	-	0.11*	0.04	1/2	0.09	0.09	-	-
Ukrainian SSR	1.98	1.00	-	1.89	-	1.57	1.80	3	0.54	1.66	-	1.83
Union of Soviet Socialist Republics	14.97	10.00	-	14.29	-	2.62	13.58	30	5.43	10.68	4.33	13.82
United Arab Republic	0.25	0.37	0.33	0.24	0.29	1.57	0.22	5	0.91	0.52	0.47	0.23
United Kingdom of Great Britain and Northern Ireland	7.58	9.22	10.15	7.23	9.84	2.62	6.88	30	5.43	5.96	12.80	7.00
U.K. Overseas Territories	-	-	-	-	-	1.57	-	1	0.09	-	-	-
United States of America	32.02	25.00	32.02	30.56	31.80	2.62	31.29	30	5.43	23.99	14.71	31.93
U.S. Overseas Territories	-	-	-	-	-	1.57 ^{k/}	-	25	4.53	-	-	-
Upper Volta	0.04	0.12	0.04	0.04	0.13	0.11	0.04	1	0.18	0.09	-	-
Uruguay	0.11	0.17	0.15	0.10	0.13	0.32	0.10	1	0.18	0.35	-	0.10
Venezuela	0.52	0.50	0.70	0.50	0.65	0.32	0.47	5	0.91	0.52	-	0.48
Viet-Nam (Republic of)	-	0.21	0.21	0.15	0.13	0.32	0.14	1	0.18	0.26	-	0.15
West Indies	-	-	-	-	-	-	-	-	-	0.17	-	-
West Irian	-	-	-	-	-	-	-	-	-	0.09	-	-
Western Samoa	-	-	-	-	-	-	0.04	-	-	-	-	-
Yemen	0.04	-	0.04	0.04	-	0.11	0.04	1	0.18	-	-	-
Yugoslavia	0.38	0.40	0.51	0.36	0.37	1.57	0.34	1	0.18	0.52	0.87	0.35
										552 1/2 100.00		

* Provisional.

a/ A dash (-) against a State indicates that it is not a member of the organization in question, or that its assessment has not been determined.

b/ Recommended by the Committee on Contributions, Official Records of the General Assembly, Eighteenth Session, Supplement No. 10 (A/5510), para. 30.

c/ FAO scale will be revised to reflect assessments of new member nations whose applications for membership are to be considered by the Conference in November 1963.

d/ Contributions are based on unit classes which are chosen by each member and associate member. The unit for 1964 is \$US6,574. Subsequent to the adoption of the budget for 1964, Algeria and Liechtenstein have become members raising the total of unit shares from 549 to 552 1/2.

e/ All territories represented by the l'Office français des Postes et Télécommunications d'outre-mer.

f/ Including Zanzibar and the Seychelles.

g/ Including Surinam.

h/ Including Portuguese provinces in Asia and Oceania.

i/ Including under Netherlands Antilles

j/ Including Pacific Islands under United States trusteeship.

k/ Provisional assessments. Final assessments will be calculated at the end of 1964.

(11) Collection of contributions

79. The following table shows, in respect of 1962 and 1963, the percentage of the current year's contributions to the regular budget collected at 30 June and 30 September, together with the total of contributions outstanding at the later date:

	Percentage of current year's contributions collected at				Total of all contributions outstanding at 30 September (regardless of year of account)	
	30 June		30 September		1962	1963
	1962	1963	1962	1963	(US dollars)	(US dollars)
ILO	39.69	39.84	68.95	65.63	3,979,907 ^{a/}	5,427,190 ^{a/}
FAO	56.64	53.84	82.20	91.13	4,281,486 ^{b/}	3,238,606 ^{b/}
UNESCO	61.74	15.25 ^{c/}	84.94	29.93 ^{c/}	4,711,325	27,930,387 ^{c/}
ICAO	71.69	63.78	92.32	89.13	653,687 ^{d/}	833,929 ^{g/}
UPU	68.84	55.94	79.75	71.26	168,230	274,576
WHO ^{e/}	28.03	33.95	79.49	76.90	5,061,043	7,423,525
ITU	84.12	88.55	86.38	88.26 ^{f/}	1,206,053	1,210,688
WMO	64.93	67.17	79.59	82.76	184,581	185,564
IMCO	75.70	80.79	83.27	85.88	101,655	103,877
IAEA	39.60	36.10	73.50 ^{f/}	74.10	2,224,832 ^{f/}	2,425,021 ^{h/}
United Nations. .	32.87	34.33	72.27	61.77	25,349,596	41,074,055

- ^{a/} Contributions outstanding from 1947 onwards, this being the year in which the ILO became responsible for the collection of its own contributions.
- ^{b/} Including contributions outstanding from former members. Excluding such arrears, the amounts would be \$2,974,762 and \$1,931,882 respectively.
- ^{c/} It should be noted that, in respect of UNESCO's regular budget, 1963 was the first of the two-year financial period 1963-1964.
- ^{d/} Including \$289,255 in respect of States which have concluded agreements to liquidate their arrears in annual instalments.
- ^{e/} Figures shown relate to assessments on active members; they exclude assessments on inactive members and China.
- ^{f/} Not including supplementary appropriation for 1962.
- ^{g/} Including \$222,965 in respect of States which have concluded agreements to liquidate their arrears in annual instalments.
- ^{h/} Includes supplementary appropriation for 1962.
- ^{i/} The reduction in percentage of contributions collected is due to the African Broadcasting Conference 1963, bills for which were sent in August 1963 but remained partially unpaid.

(iii) Working capital funds

80. The amounts approved or proposed for the working capital funds in respect of 1964 are shown in the following table:

	<u>1964 gross budget</u>	<u>Working Capital Fund</u>	<u>Percentage of 1964</u>
	(US dollars)		<u>gross budget</u>
ILO	16,977,156	2,750,000	16.20
FAO	19,446,470	2,500,000	12.86
UNESCO	19,822,698	3,000,000	15.13
ICAO	5,907,926	800,000	13.54
UPU	1,346,528	a/	-
WHO	34,065,100	4,054,850	11.90
ITU	3,926,354	a/	-
WMO	1,267,599	268,135 ^{b/}	21.15
IMCO	630,870	100,000	15.85
IAEA	7,444,500	2,000,000	26.87
United Nations . .	96,611,350	40,000,000 ^{c/}	41.40

a/ In the case of UPU, the working expenses of the International Bureau are advanced by the Swiss Government. Such advances must be repaid at the earliest possible date and any sums outstanding on 31 December of the year of account carry interest as from that date at 5 per cent per annum. A similar procedure applies also to ITU where, however, the annual contributions for the budget are payable in advance and any sums outstanding on 1 January of the year of account carry interest as from that date at 3 per cent for the first six months and 6 per cent thereafter.

b/ This figure of the principal of the Working Capital Fund of WMO is limited to an amount not greater than 5 per cent of the maximum expenditures authorized for the four-year financial period 1964-1967 (see paragraphs 165 and 166).

c/ Level approved for 1963. Under the terms of General Assembly resolution 1863 B (XVII), the General Assembly is to reconsider at its eighteenth session the level at which the Working Capital Fund should be maintained.

IV. DETAILED COMMENTS ON THE 1964 BUDGETS OF THE AGENCIES

A. INTERNATIONAL LABOUR ORGANISATION

	1963 <u>Appropriations</u>	1964 <u>Appropriations</u>
	(US dollars)	
Personnel services	9,914,332	10,955,351
General services	2,712,800	2,769,955
Special projects and activities . .	1,362,500	1,612,500
Other budgetary provisions	588,202	1,639,350
Total (gross)	14,577,834	16,977,156
<u>Less:</u> Casual revenue	571,000	588,357
Total (net)	14,006,834	16,388,799

81. The Advisory Committee had an opportunity to discuss the 1964 budget of ILO and related matters with the Director-General of the International Labour Office and his representatives.

82. On a gross basis, the expenditure budget for 1964 exceeds the 1963 appropriations by \$2,399,322 or 16.46 per cent. However, compared with the 1963 total appropriations, including supplementary credits approved by the Governing Body up to June 1963 (\$624,843), the percentage increase is 5.3 per cent.

Summary analysis of the 1964 budget

83. The Director-General's original estimate for 1964 amounted to \$16,976,067. In the light of the views expressed in the Financial and Administrative Committee, the Director-General reviewed his original estimates for 1964 and reduced them by \$306,214. On the recommendation of the Governing Body, the International Labour Conference at its 47th Session (June 1963) approved the inclusion of additional amounts totalling \$307,303 under the appropriate items of the draft 1964 budget as follows:

(a) \$254,489 for adjustments in the common salary scales applicable to staff in the General Service category in Geneva, based on the official Swiss index of salaries for October 1962, and an extrapolation of the index figures up to and including March 1963. On this basis the salary scales were increased by 4.6 per cent as from 1 March 1963, and by a similar percentage on 1 September 1963;

(b) \$41,814 to cover the net additional costs of a number of reclassifications of General Service posts, together with a new post for a permanent classification officer, as a result of a general review of the classification of General Service category posts in Geneva;

(c) \$11,000 for ILO's participation in the preparation of a report on the role of the United Nations in training national technical personnel for accelerated industrialization of the developing countries.

84. Thus the approved budget for 1964 was arrived at as follows:

Director-General's original estimate		\$ 16,976,067
Director-General's subsequent adjustments	-	306,214
Governing Body's recommendations for additions	+	307,303
Gross expenditure budget recommended by the Governing Body to the Conference		<u>16,977,156</u>

85. The total increase of \$2,399,322 over the 1963 budget can be broken down into the following major categories:

(a) \$922,648 for increased reimbursements to the Working Capital Fund for withdrawals authorized by the Governing Body to meet supplementary credits approved in 1962, and for restoring to the Working Capital Fund amounts advanced to meet the deficit resulting from the fact that the total 1962 budgetary income fell short of total budgetary expenditure;

(b) \$917,229 for additional staff costs. These result mainly from the revision of salary scales in the General Service category, the regrading of posts in this category, the reclassification of Geneva to class 2 of the post adjustment system (not yet reflected in the 1963 appropriations), the provision of a limited number of new posts (a net total of 17 new permanent posts in the Professional and 11 in the General Service category), and the consequential increases in common staff costs, contributions to the Pension Fund etc.;

(c) \$128,500 for increased contributions to extra-budgetary programmes, including United Nations Special Fund agency costs, the International Occupational Safety and Health Information Centre, the International Vocational Training Information and Research Centre and the Inter-American Vocational Training Research and Documentation Centre;

(d) \$120,000 for increases in operational activities, i.e. technical assistance programmes;

(e) \$101,803 for increased general office expenses;

(f) \$85,000 for additional special programmes and projects which the regular staff is unable to undertake because the special qualifications required are not available on a permanent basis within the Office;

(g) \$82,018 for additional expenditures arising in connexion with sessions of the General Conference, the Governing Body, and other conferences, committees and meetings;

(h) \$62,498 for additional costs of ILO branch offices and national correspondents;

(i) The above increases are partially offset by a decrease of \$20,374, representing the net balance of a number of minor increases or decreases in various other items.

Rearrangement of the budget

86. The Advisory Committee inquired into a number of important changes introduced in the presentation of the 1964 budget. It may be recalled that, as a result of the considerable growth in the activities of the ILO, and the greater variety of expenditures chargeable to the budget, a number of additional items and sub-items have found their way into the budget in recent years. These successive additions have gradually had the effect of making the budget less accessible, rendering it more and more difficult to assess the total volume of credits covering expenditure of the same nature such as, for instance, staff costs.

87. To remedy this situation, the Director-General decided to undertake a major rearrangement of the budget, with effect from 1964. This rearrangement is designed to achieve two main aims, namely: (a) to simplify the preparation and administration of the budget; (b) to facilitate consideration of the budget by the Financial and Administrative Committee, the Governing Body and the Conference.

88. On the premise that the nature and complexity of the ILO's activities imply keeping a budgetary structure based largely on the "type (object) of expenditure" rather than on the "project cost" principle, efforts have been made to achieve the above aims by grouping together in a logical order credits in respect of expenditure of the same nature. Furthermore, in order to give a better picture of the total estimates for expenditure of the same nature the summary of expenditure estimates has been broken down into chapters.

89. Among the main regroupings, mention may be made of the following:

(a) The estimates shown in the 1963 budget under items 12-A (Factual survey relating to freedom of association), 12-B (Action as regards discrimination), and 24 (Facilities in additional languages) are now incorporated in the appropriate items and sub-items of the ordinary budget and therefore do not appear as separate items in the 1964 budget;

(b) All the estimates for staff and related costs, such as social security charges, are grouped in a single chapter, with the exception of estimates concerning cleaning and removal staff, which have been kept as a separate sub-item of general office expenses, and those relating to the staff of branch offices and national correspondents, where the retention of separate items is justified.

90. Thus the 1964 budget is presented in only two parts, as compared with the four parts that were customary up to and including 1963. These parts are as follows:

	<u>Up to 1963</u>	<u>1964</u>
I	Ordinary budget	same
II	Staff pensions fund and related provisions	now in part I
III	Working Capital Fund	now part II
IV	Facilities in additional languages	now in part I

Management survey

91. The Director-General informed the Advisory Committee that the management survey^{28/} had been completed and that the report would be submitted to the Governing Body early in 1964. The recommendations of the survey group would, if adopted, result in a number of organizational changes.

Staff assessment plan

92. Effective 1 January 1964 there will be a staff assessment scheme at the same rates as are applied by the United Nations. However, the effect of this scale of assessment, when applied to the gross salary scales that are common to the United Nations and other organizations following this system, is to leave unchanged the ILO net salary scales. For budgetary purposes, the net figure only is shown as a charge against the budget credit.

Headquarters accommodation

93. For the past two years the ILO has had to rent office space in Geneva outside its Headquarters building to accommodate staff. The increasing needs for space are the result in part of rises in the number of posts approved in recent years by the Governing Body and the Conference to meet new programme requirements financed under the regular budget, and in part of the substantial expansion in ILO operational activities financed through the Special Fund and the Expanded Programme of Technical Assistance. As there was every reason to expect that these increased needs would be permanent, a preliminary study for an extension of the headquarters building was undertaken in 1961. This study is based on a programme designed to cover the accommodation requirements of the Office over a period of some 15 years in the future, including requirements for meetings other than the annual International Labour Conference, and for related facilities.

^{28/} See Official Records of the General Assembly, Seventeenth Session Annexes, agenda item 69, document A/5332, paras. 68 and 69.

94. The architect commissioned for the purpose is at present finalizing a first general plan of the proposed extension, including the accommodation needed for the International Institute for Labour Studies. When the architect's proposals have been discussed and agreed upon with the local authorities concerned, the Director-General will submit them, possibly early in 1964, to the Governing Body together with cost estimates. These plans will be co-ordinated with those of other organizations in Geneva, particularly as regards the possible use of the additional meeting facilities that the extension will provide. There have already been exchanges of views and information on these matters between the services concerned in the various organizations.

95. The Advisory Committee was informed that ILO had been able to work out jointly with WHO, and with the help of the Canton of Geneva, arrangements to cover the immediate space requirements of the two organizations. These arrangements provide for the construction by the Canton of Geneva of some 230 prefabricated offices, which will be made available to the two organizations on a rental basis for a period of approximately six years, WHO occupying a substantial part of the premises until 1966 when its own new headquarters building is to be completed. The building of these temporary offices is now well under way and should be completed early next year. ILO has also been able to work out joint arrangements with ITU, on a more modest scale, to meet needs during the interim period until the new prefabricated buildings are completed.

B. FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

	1963 <u>Appropriations</u> ^{a/}	1964 <u>Estimates</u> ^{b/}
	(US dollars)	
Personnel services	11,929,208	13,194,650
General services	3,018,019	4,542,770
Special projects and activities . .	1,557,120	1,098,200
Other budgetary provisions	312,311	610,850
	<hr/>	<hr/>
Total (gross) . .	16,816,658	19,446,470
<u>Less:</u> Casual revenue	1,075,243 ^{c/}	1,424,057 ^{c/}
	<hr/>	<hr/>
Total (net) . . .	15,741,415	18,022,413

a/ The budget has been voted for a two-year period 1962-1963; the appropriations shown here represent the balance after deduction of the 1962 expenditure.

b/ Represents the 1964 part of the Director-General's proposed 1964-1965 budget.

c/ Includes the lump-sum allocation from the EFTA special account in an amount of \$1,075,800 for 1963 and \$1,107,307 for 1964. The 1963 figure was raised, after the Conference, to \$1,107,307 and the additional \$31,507 treated as miscellaneous income.

96. The Advisory Committee had an opportunity to discuss the 1964 budget of FAO with the Deputy Director-General of that organization.

97. Although the table shows figures for 1964 for purposes of comparison, it is possible to explain the budget only in biennial terms since it has been drawn up for the full two-year period 1964-1965.

Summary analysis of the 1964-1965 budget

98. The estimates for 1964-1965 total \$38,973,500 which represents an increase of \$7,788,500 or 24.9 per cent over the approved 1962-1963 budget. This increase includes the following main elements:

(a)	<u>Mandatory increases</u>	2,175,000
	Mainly salary increments, post adjustments in Rome (two) and in the regions, increases in common staff costs and in general operating expenses.	
(b)	<u>Specific programme expansions</u>	3,348,500
	In the four following major fields of work:	
	(i) Planning and programming;	
	(ii) Improving human resources, institutional framework and essential government services;	
	(iii) Improving the quality of the diet, with particular attention to raising the consumption of high protein foods and increasing the production of protein rich foods of all types and other foods of high nutritional value with consequential changes in emphasis in the work on processing, marketing and consumption;	
	(iv) Increasing food supplies by reducing the enormous, wasteful and avoidable losses which occur in storage, processing and marketing.	
(c)	<u>General strengthening in technical and economic departments</u>	560,000
(d)	<u>Other consequential increases</u>	1,655,000
(e)	<u>Contingencies</u>	50,000

99. The FAO Finance Committee reviewed the proposed programme of work and budget 1964-1965 at its ninth session (22 April to 2 May 1963) and recommended reductions in a total amount of \$460,000, related to travel standards (\$130,000), the contingency provision (\$50,000) and the reserve for possible mandatory increases (\$36,000), while, on the other hand, increasing the percentage factor applied as turnover deduction to the salaries provision (\$244,000).

100. The Director-General's budget for 1964-65, together with the relevant recommendations of the Finance Committee will be considered by the FAO Conference at its twelfth session to be convened in Rome on 16 November 1963.

Staff assessment plan

101. In accordance with a decision of the last session of the Conference, the Director-General proposes to introduce the Staff Assessment Plan as of 1 January 1964; the 1964-65 budget estimates therefore show all salaries items both gross and net on a chapter-by-chapter basis.

Special programmes

102. The Director-General's 1964-65 budget estimates allow for the continuation of three special programmes introduced in 1962-63 at the same level (apart from mandatory increases) as in the current biennium, i.e. Regular Programme of Technical Assistance (\$400,000), special programme of education and training in Africa (\$800,000), and Freedom-from-Hunger Campaign (\$852,500).

103. As regards the Freedom-from-Hunger Campaign, the 1962-63 biennial budget included a provision of \$843,000 as FAO's contribution to the central campaign costs, with the expectation that voluntary contributions would provide another \$700,000 during the biennium. As at 30 June 1963, total contributions received in the preceding 18 months plus unobligated funds carried forward from 1960-1961 totalled \$385,442. The 1964-65 Programme of Work and Budget contains an appropriation of \$852,500 for the Campaign. An additional expenditure plan of up to \$700,000 for the biennium has again been drawn up, since it is hoped that the momentum gathered by the Campaign will be reflected in voluntary contributions for the Central Campaign Trust Fund.

Impact of field programmes on the regular programme

104. This is a subject on which the Advisory Committee already presented general comments in the first part of the present report (paras. 11 to 21), but which, in its opinion, deserves special consideration in the case of FAO. Indeed, attention should be called to the fact that the question of the impact of field programmes on the regular programme in terms of budgetary implications, the direct

effect on the time and energies of the staff, and the interrelated repercussions on the quality and effectiveness of both the regular and field programmes of the organization, continues to be a matter of growing concern in FAO.

105. A survey conducted in line with the FAO Council's request that the Director-General "maintain a continuing study and appraisal of the situation, as a means of facilitating future consideration of the legislative, technical, administrative, management, and budgetary factors involved ..." showed that the trend continues whereby an increasing portion of the resources which member Governments have been asked to provide for regular programme activities are in fact being substantially utilized for the central management and servicing of the field programmes.

106. At its fortieth session in June 1963, the FAO Council stressed again the relatively great discrepancy between the financial contribution received from extra-budgetary resources and the time and effort expended by Headquarters and regional office staff. The Council noted with satisfaction the benefits accruing to the organization from participation in these programmes, but expressed the view that, in requesting FAO to conduct major portions of their operational programmes, the sponsoring bodies should recognize that they should bear a more adequate share of the corresponding management costs. It fully endorsed the findings of the FAO Programme and Finance Committees that the Director-General should continue his efforts to achieve a more realistic costing base for computing the subvention from EPTA to the regular programme budget.

107. The FAO Council also expressed concern over what it regarded as lack of progress in arriving at an equitable reimbursement formula under the United Nations Special Fund operations. Moreover, as stated in paragraph 142 of the report on its fortieth session, it "fully endorsed the recommendations of the Finance and Programme Committees that the Director-General should continue his efforts with the Special Fund for a more realistic formula to be developed which would provide adequate over-all support and urgently rectify the undercharge resulting from the present insufficient amount received by the organization in agency costs. In this regard, it particularly emphasized its recommendation that member nations

should co-ordinate the views of their representatives when participating in the shaping of policies of the United Nations Special Fund and of the Executing Agencies".

Organizational developments

108. At its fortieth session, the FAO Council endorsed a proposal of the Programme Committee to undertake a thorough evaluation of the effectiveness of regional services within the existing organizational structure and responsibilities. At present, two of the regional representatives have been elevated to assistant director-general rank. Other recent organizational developments include, inter alia, the establishment of various divisions and offices within the Department of Administration and Finance and the Programme and Budgetary Service.

Cost of living developments

109. After a period of relative stability in the Rome cost of living, it was necessary, on the basis of the special quarterly index covering cost-of-living developments for international civil servants in Rome, to place Rome in class 1 as of 1 January 1962 and in class 2 as of 1 February 1963 for post adjustment purposes. In approving the February action, the FAO Council noted that, if the present trend in the cost of living in Rome continued, another change in post adjustment classification would soon be necessary.

110. A comparable adjustment was also approved for the salaries of the General Service staff. Efforts are being made to ascertain the feasibility of applying a wage index formula for interim between-survey adjustments in the salary scale for General Service staff in Rome on the same basis as applies in the case of General Service staff in Geneva, Paris and other areas.

Headquarters accommodation

111. Further delays in the construction of the new wing at headquarters have occurred and it is foreseen that only by the end of 1963 will the building be nearing completion. In the light of this situation, it was necessary to lease additional outside space. The costs of renting and servicing all outside space

are being met in the current biennium (1962-1963), in part from savings accruing through non-occupancy of the new wing, in part from contingencies and in part from contributions from the operating expense items of the budgets of other programmes.

Working capital fund

112. At its thirty-ninth session (October 1962), the Council endorsed a recommendation of the Finance Committee to increase the working capital fund to \$2,500,000, and to apply to the increase the cash surplus of the 1958-1959 and 1960-1961 budgetary periods (\$56,925 and \$461,558 respectively). The Council's recommendation will be submitted to the twelfth session of the Conference for approval.

C. UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

	1963	1964
	<u>Appropriations</u>	<u>Appropriations</u>
	(US dollars)	
Personnel services	9,809,649	10,121,337
General services	4,000,028	4,214,104
Special projects and activities . .	5,367,625	5,487,257
Other budgetary provisions	-	-
Total (gross) . .	19,177,302	19,822,698
<u>Less:</u> Casual revenue	1,113,500	1,113,500
Total (net) . . .	18,063,802	18,709,198

113. The Advisory Committee had an opportunity to discuss the 1963-1964 budget of UNESCO and related matters with representatives of the Director-General of that organization.

114. Although, for purposes of comparison, the table above shows figures separately for 1963 and 1964, it is possible to consider the budget only in biennial terms since it has been drawn up for the full two-year period 1963-1964.

115. In its 1962 report on the agency budgets^{29/} the Advisory Committee gave a summary analysis of the budget estimates totalling \$40,884,000, which had been submitted by the Director-General for the 1963-1964 biennium, adding that these estimates were to be considered by the General Conference of UNESCO at its twelfth session which was to meet in Paris from 9 November to 12 December 1962.

116. At that session, the General Conference, after taking stock of the work performed by UNESCO in previous years, voted a budget of \$39,000,000 for 1963-1964, or \$1,884,000 less than the figure proposed by the Director-General. The following tabulation gives the comparison between various parts of the budget:

^{29/} A/5332, paras. 75-79.

Part of budget	1963-1964	1961-1962	Increase (or decrease)	
	\$	\$	\$	Per cent
I. General policy	1,552,745	1,329,539	223,206	16.79
II. Programme operations	29,518,504	23,704,029	5,814,475	24.53
III. General administration	4,264,412	3,503,000	761,412	21.74
IV. Common services	3,664,339	3,976,660 ^{a/}	(312,321)	(7.85)
	<u>39,000,000</u>	<u>32,513,228</u>	<u>6,486,772</u>	<u>19.95</u>

^{a/} Includes \$915,600 for additional headquarters premises.

Management survey

117. A management study was decided upon by the General Conference primarily to consider ways in which the Secretariat could more adequately cope with the rapidly increasing operational programmes. The Executive Board limited the mandate of the study to the three main management problems facing UNESCO: (a) the organization of the departments of education; (b) the organization of the departments of natural sciences; and (c) the field structure of UNESCO and its relationship to Headquarters. With regard to the last mentioned study, the Committee was informed that one of the problems to be considered was the system of chiefs of mission; this system has been introduced as an experiment in 1962 and the appointment of additional chiefs of mission for the next budgetary period would depend in part on the findings of the management study. The survey team was made up of three experts under the direction of a Director of study and their report was expected to be ready by mid-March 1964.

Staff assessment plan

118. The Advisory Committee was informed that the Director-General intends to introduce a staff assessment scheme in UNESCO as of 1 January 1965.

Housing loans

119. The Advisory Committee inquired into the granting of housing loans approved by the General Conference. It was given to understand that the housing situation in the Paris area, characterized by a lack of accommodation at prices within the reach of international civil servants had tended to deteriorate in recent years. Rental charges in de-controlled housing were said to be prohibitive, while loans for the purchase of houses or co-operative apartments were subject to very high interest rates. The plan agreed upon by the General Conference, with its ceiling of \$1.2 million for outstanding loans financed from the Working Capital Fund, was in the Director-General's opinion, a helpful but limited step.

120. Such loans are granted only to staff members having five or more years of service and who are likely to remain in the employ of UNESCO for a reasonably long period. They are individual loans, repayable in a maximum of ten years and carry an interest rate of 3 per cent per annum, and secured by: (a) all payments which would be due to the staff member concerned on termination, excluding of course payments from the Joint Staff Pension Fund; (b) a first mortgage on the property. The maximum of each loan is based on the amount of the termination payments referred to in (a) above and would not normally exceed \$10,000 for senior staff after long service.

Headquarters accommodation

121. Construction began on 15 June 1963 of an underground building to provide additional office accommodation for the growing staff of UNESCO. The location below ground is necessitated by French urban zoning laws. The building will have three levels, with a garage for 368 cars at the bottom level; at the other two levels, there will be space for shops and archives, for offices and two conference rooms. The conference rooms are expected to be ready by 15 September 1964, in time for the thirteenth session of the General Conference of UNESCO, and the offices by 1 February 1965.

122. The General Conference, at its twelfth session in the fall of 1962, allocated \$5,615,000 for construction of the building, which will be financed partly through the organization's own resources and partly by bank loans guaranteed

by the French Government. A sum of \$222,450 has been allocated for the construction of two temporary buildings on the headquarters grounds to meet the immediate needs of the secretariat. Part of these premises were ready by July 1963 and, according to a resolution adopted by the Headquarters Committee, they will be dismantled within three months of the completion of the permanent additional premises.

123. The Advisory Committee was informed that the need for additional accommodation had become acute as the present headquarters, completed in 1958, contains only 9,000 square metres of office space. Plans for the new buildings were approved in 1954 when the secretariat totalled 700 persons and the organization had a membership of seventy States. Today its membership is 113 and the present staff at headquarters of approximately 1,200 persons is expected to increase to about 1,350 by 1965.

Preliminary draft programme and budget for 1965-1966

124. At its recent session which opened in Paris on 25 September 1963, the Executive Board of UNESCO considered the Director-General's preliminary draft programme and budget for 1965-1966, proposing in particular a substantial increase in the organization's science activities during the next biennium. In the introduction to his preliminary programme and budget, the Director-General states, in justification of this proposal, that, in his opinion, "it would be difficult to continue systematically to expand [UNESCO's] activities in the field of education for any length of time without providing for a similar expansion in the other fields where the very essence of the life of the mind is to be found ... Education is, in fact, but the gateway to such fields, foremost among which is science".

125. With regard to the scientific activities to be developed, the Director-General proposes the promotion of research in basic sciences with emphasis on hydrology, including the promotion of international exchanges and research during the International Hydrological Decade to begin in 1965, as well as increased activities in the fields of oceanography, seismology and geological sciences. Accordingly,

UNESCO's Natural Science Department budget should be increased by 57 per cent over the previous two years - or from 17 per cent of the total budget to 22 per cent. Education, which will continue to be a prime concern of the organization should still take 33.7 per cent, while cultural activities would be allotted 15 per cent.

126. On 10 October 1963, the Executive Board decided to recommend to the next General Conference, which is to meet in 1964, a budget ceiling of \$46,800,000 for the two years, 1965 and 1966. This figure, which corresponds to that proposed by the Director-General, represents a 20 per cent increase over the 1963-1964 budget. After allowing for costs of maintenance, construction of additional headquarters buildings, salary and allowance increases, and price increases in various services and supplies, the increase available for new programme activities would be 11.5 per cent.

127. However, the Advisory Committee would call attention to the fact that the amount provided under the regular budget is but a fraction of the actual level of planned expenditures. It is the Director-General's view that, on the basis of the discussions at the United Nations Conference on the Application of Science and Technology for the Benefit of the less Developed Areas, held in Geneva in February 1963, UNESCO's work with regard to the application of science to economic development should be intensified. The proposed rise in the regular budget would bring the science appropriation to \$7,497,405, to which should be added about \$4,445,000 in United Nations technical assistance funds and approximately \$21 million from the United Nations Special Fund, or \$33 million in all. Similarly, education would be allotted over \$11 million, plus more than \$7 million in technical assistance funds and \$7,488,000 from the Special Fund - or a total close to \$26 million.

128. The Advisory Committee noted the concern expressed by the Director-General who, considering that these extra-budgetary funds in 1965-1966 would almost equal the regular budget, gave warning that the activities financed by such funds might be so considerable as to disrupt the balance of the over-all action of UNESCO.

D. INTERNATIONAL CIVIL AVIATION ORGANIZATION

	1963 <u>Appropriations</u>	1964 <u>Appropriations</u>
	(US dollars)	
Personnel services	4,479,045	4,648,893
General services	1,256,295	1,164,145
Special projects and activities	83,448	86,648
Other budgetary provisions . . .	8,240	8,240
Total (gross)	5,827,028	5,907,926
<u>Less:</u> Casual revenue	1,163,794	1,202,529
Total (net) . .	4,663,234	4,705,397

129. The Advisory Committee had an opportunity to discuss the 1964 budget of ICAO and related matters with the Secretary-General of that organization.

130. At its fourteenth session (Rome, August 1962), the Assembly of ICAO voted a budget for the year 1964 in the amount of \$5,907,926, to be provided as follows: (a) by miscellaneous income, \$1,202,529; (b) by assessments on Contracting States (General Fund), \$4,705,397. The gross appropriation of \$5,907,926 for 1964 represents an increase of \$80,898 or 1.39 per cent over 1963; after deduction of miscellaneous income, the net amount assessable on Contracting States in 1964 shows an increase of \$42,163 or 0.90 per cent over 1963.

131. In addition, the ICAO Council was authorized to make, if required, supplementary appropriations up to a maximum of \$146,000 for the financial year 1964, for the specific purpose of financing contingent expenditures to place Montreal in a higher category of the post adjustment classification scale (\$55,600); for additional contributions resulting from a revision of the pensionable remuneration (\$7,000); and to adjust the salaries of General Service category personnel at headquarters and related pension fund contributions (\$83,400).

132. On 1 January 1963, the ICAO establishment comprised 520 posts, 199 of which were in the Professional and higher categories and 321 in the General Service category. The fourteenth session of the Assembly authorized an increase of the

establishment by 5 posts in 1964 (2 in the Professional category and 3 in the General Service category), bringing the total number of posts to 525 (201 in the Professional category and 324 in the General Service category).

Summary analysis of the 1964 budget

133. The following are the main changes in the 1964 gross budget:

(a) Personnel services: The increase of approximately \$169,000 in this part of the budget arises in the main from normal salary increments for established posts (\$80,000); the addition of the above-mentioned five new posts (\$38,000); the full staffing of the new regional office in Africa, only half of which had been budgeted for the entire year in 1963 (\$28,000); and an increase in temporary assistance and overtime relating to meetings (\$22,000);

(b) General Services: There is a total decrease of \$92,000 in this part of the budget, as compared to 1963, which results mainly from the following factors: travel on official business, particularly in respect of meetings (\$10,000); travel on home leave (\$57,000); travel and removal expenses of staff and dependants (\$8,000); property and equipment (\$10,000); and insurance, rental of additional premises for meetings and other items relating to meetings (\$7,000);

(c) Special projects and activities: This heading, which shows an increase of \$3,200 over 1963, includes a provision for two two-man regional teams during the period 1963-1965, designed to assist States in overcoming implementation problems and bring about an improvement in the operation of facilities and services now provided; the other item under this heading relates to the records management programme;

(d) Other budgetary provisions: This heading, the level of which is unchanged as compared with 1963, includes the trainee programme and ex gratia payments.

134. The foregoing result in a net increase in the 1964 gross budget of \$80,898.

Technical assistance

135. As in previous years, provision has been included for staff members connected with all technical assistance activities carried out by the organization at Headquarters. Except for the cost of staff members at Headquarters connected with ICAO's participation in the United Nations Operation in the Congo - which amounts to some \$35,600 and which is met, by decision of the Assembly from an appropriation of funds for this purpose - the net cost of all other technical assistance activities at Headquarters is reimbursable by the United Nations and included under miscellaneous income.

Special Fund

136. Authority to commence operations has been received for Special Fund projects in seven countries for which ICAO acts as executing agency. The total cost of these projects is estimated at \$22,855,248 comprising a Special Fund allocation of \$8,132,591 and counterpart costs of \$14,722,657.

Personnel questions

137. Although ICAO follows much of the common system, the Advisory Committee was informed of a number of departures. It would seem inter alia that the conditions for the education grant and the assignment allowance are somewhat more restrictive, and that annual leave for General Service staff at Montreal is granted at the rate of one month instead of six weeks per year of service.

E. UNIVERSAL POSTAL UNION

	1963 <u>Revised budget</u>	1964 <u>Estimates</u>
	(US dollars) ^{a/}	
Personnel services	524,304	616,897
General services	318,518	637,037
Special projects and activities . .	56,715	92,594
Other budgetary provisions	-	-
Total (gross)	899,537	1,346,528
<u>Less:</u> Casual revenue	28,009	118,055
Total (net)	871,528	1,228,473

^{a/} Converted at the rate of \$US1.00 - Swiss francs 4.32.

138. The following observations are based on a study of official documentation supporting the 1964 budget estimates of UPU.

139. The budget estimates for 1964, amounting to Sw. frs. 5,817,000 (\$1,346,528), represent an increase of Sw. frs. 1,931,000 (\$446,991), or 49.69 per cent, over the revised budget for 1963.

140. This increase is attributable in large measure to the costs connected with the arrangements for the next Universal Postal Congress which is to meet at Vienna (Austria) from 29 May to mid-July 1964. The main components of this increase are the following:

Group I - Personnel services: Increase of Sw. frs. 400,000 (\$92,593), comprising:

- (a) Salaries, wages and fees: Sw. frs. 302,000 (\$69,907)
[Recruitment of 9 new staff members, raising the regular establishment of the International Bureau from 50 in 1963 to 59 in 1964; several promotions in 1964 and regular salary increments];
- (b) Staff allowances: Sw. frs. 98,000 (\$22,686);

Group II - General services: Increase of Sw. frs. 1,376,000 (\$318,519), comprising:

- (a) Travel and transportation expenses: Sw. frs. 626,000 (\$144,908)
[Staff travel and transportation of equipment for the next Congress];
- (b) Contractual and other services: Sw. frs. 669,000 (\$154,861)
[Printing costs of proposals, deliberations and Acts of the Congress and costs for simultaneous interpretation];
- (c) Office supplies and equipment; premises, furniture and technical equipment: Sw. frs. 81,000 (\$18,750);

Group III - Special projects and activities: Increase of Sw. frs. 155,000 (\$35,880) over 1963 largely due to the printing of the documents of the Consultative Commission on Postal Studies.

Staff assessment plan

141. The Advisory Committee notes that no arrangements are envisaged for the adoption by UPU of a staff assessment plan.

F. WORLD HEALTH ORGANIZATION

	1963 <u>Appropriations</u>	1964 <u>Appropriations</u>
	(US dollars)	
Personnel services	16,697,594	17,929,652
General services	5,439,868	6,344,310
Special projects and activities	2,974,638	3,478,138
Other budgetary provisions . .	5,282,000	6,313,000
Total (gross)	30,394,100 ^{a/}	34,065,100
<u>Less:</u> Casual revenue	1,659,100	1,606,090
Total (net)	28,735,000	32,459,010

a/ Including supplementary budget estimates in the amount of \$438,100 as approved by the Sixteenth World Health Assembly.

142. The Advisory Committee had an opportunity to discuss the 1964 budget of WHO and related matters with representatives of the Director-General of that organization.

143. The Sixteenth World Health Assembly established the effective working budget for 1964 in the amount of \$34,065,100, an increase of \$3,671,000 or 12.08 per cent over the corresponding approved level for 1963. Including an undistributed reserve of \$2,223,130 (equalling the assessments on inactive Members and China), the total amount appropriated by the Sixteenth World Health Assembly for the financial year 1964, is \$36,288,230, to be financed by contributions from Members after deduction of \$756,990 available by reimbursement from the Special Account of the Expanded Programme of Technical Assistance; \$98,860 representing assessments on new Members for previous years; \$454,733 representing miscellaneous income available for the purpose and \$295,507 available by transfer from the cash portion of the Assembly Suspense Account.

Summary analysis of the 1964 budget

144. Of the total increase (\$3,671,000) in the amount of the effective working budget for 1964 over the approved level for 1963, \$2,455,902, or over two-thirds is for the Operating Programme (part II of the budget) as follows:

(a) Programme activities: Increase of \$1,521,353 comprising: (i) \$650,291 for Headquarters (contractual technical services in the field of medical research, in-grade salary increases, 17 new posts, common services, research training, printing of publications, short-term consultants and temporary staff, and various other minor requirements); (ii) \$871,062 for field activities including \$730,483 for projects and \$140,579 for regional advisers and similar personnel;

(b) Regional offices: Increase of \$122,517 for salary costs including 6 new posts, temporary staff and custodial staff, and for common services;

(c) Expert committees: Increase of \$6,200;

(d) Other statutory staff costs: Increase of \$805,832 relating to all statutory staff costs other than the salaries and wages of the personnel provided for under part II.

145. The balance (\$1,215,098) of the total increase in the level of the effective working budget appears under parts I, III and IV of the budget as follows: part I - Organizational meetings, \$7,210; part III - Administrative services, \$226,888; part IV - Other purposes, \$981,000. The latter results mainly from the incorporation in the regular budget for 1964 of full provision for the costs of the malaria eradication field programme amounting to \$5,363,000 compared with a contribution to the Malaria Eradication Special Account of \$4,000,000 in 1963 - an increase of \$1,363,000, partly offset by a net decrease of \$382,000 in provisions for non-recurrent items.

Established posts

146. The 1964 budget provides for an increase of 320 posts over the 1963 establishment: twenty-four for Headquarters activities, six for regional offices, and 290 for the field (including 267 posts in the malaria eradication field

programme now incorporated in the regular budget). The following table indicates the distribution of posts between Headquarters, the regional offices and field activities for the years 1960-1964:

	<u>1960</u>	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>
Headquarters	648	675	699	736	760
Regional offices	406	425	437	444	450
Field activities	489	546	588	639	929
	<u>1,543</u>	<u>1,646</u>	<u>1,724</u>	<u>1,819</u>	<u>2,139</u>

Voluntary accounts

147. Noting that, as of 1964, the financing of the Malaria Eradication Programme is to be included in full in the regular budget of WHO, the Advisory Committee inquired into the current and prospective status of other voluntary funds. It was informed that the Thirteenth World Health Assembly established a Voluntary Fund for Health Promotion into which it placed the then existing voluntary accounts. The Fund now includes the following accounts:

- (a) General account for undesignated contributions;
- (b) Special account for smallpox eradication;
- (c) Special account for medical research;
- (d) Special account for community water supply;
- (e) Special account for assistance to the Republic of the Congo (Leopoldville);
- (f) Special account for accelerated assistance to newly independent and emerging countries;
- (g) Special account for miscellaneous designated contributions.

148. The Advisory Committee was informed that the Director-General intended to recommend to the Executive Board when it next meets the placement in the Voluntary Fund for Health Promotion of a new special account for leprosy. These accounts are known as "convenience accounts", established so that WHO may accept contributions by individuals or organizations for particular purposes. In the case of the proposed leprosy account, WHO was recently left a small inheritance to be used to fight leprosy.

149. The Advisory Committee was given to understand that there is a movement of programmes from voluntary funds to the regular budget. For example, medical research programmes originally financed from voluntary funds are being gradually transferred to the regular budget, by decision of the World Health Assembly. The same thing is expected to happen with respect to community water supply programmes. It is possible that, if Governments so request, smallpox eradication programmes could be financed from the regular budget.

150. The Committee noted that WHO has, for many years, included in its budget presentation complete information concerning projects financed from all funds available to the organization. The budget document also shows, in the columns headed "Other extra-budgetary funds" the amounts which UNICEF is expected to contribute to health projects also assisted by WHO, identifying those which have been allocated by the UNICEF Executive Board. The Committee hopes that this practice will be continued.

Staff assessment plan

151. The World Health Organization will introduce a staff assessment scheme as of 1 January 1964. The rates will be the same as those applied by the United Nations, but the implementation procedure will be simplified.

Headquarters accommodation

152. The Sixteenth World Health Assembly, in its resolution WHA-16.22, raised the maximum cost for the construction of the Headquarters building from the level of 40 million Swiss francs approved by the Thirteenth Assembly in 1960 to 60 million Swiss francs. In this respect, the Advisory Committee was informed that, despite the most drastic reductions in the building programme, the costs of construction in Geneva had been increasing at such a rate that completion of the building would require 60 million Swiss Francs on the basis of early 1963 estimates.

153. As regards the target date for the completion of the new headquarters, it would appear that, following a number of delays in construction which have already occurred, it might become increasingly difficult to respect the tentative target of December 1965, should there be any more interruptions or delays.

G. INTERNATIONAL TELECOMMUNICATION UNION

	1963 Revised <u>Appropriations</u> (US dollars) ^{a/}	1964 <u>Appropriations</u> ^{a/}
Personnel services	3,292,431	3,145,278
General services	797,430	771,123
Special projects and activities	-	-
Other budgetary provisions . .	13,171	9,953
Total (gross)	4,103,032	3,926,354
<u>Less:</u> Casual revenue	188,263	222,280
Total (net)	3,914,769	3,704,074

a/ Converted at the rate of \$US1.00 = Swiss francs 4.32.

154. The Advisory Committee had an opportunity to discuss the 1964 budget of ITU and related matters with the Secretary-General of that organization.

155. At its eighteenth session held at Geneva in March-April 1963, the Administrative Council of ITU approved in respect of 1964, an expenditure budget of \$3,926,354 comprising \$3,705,196 for the Union's ordinary expenses and \$221,158 for Technical Co-operation management expenses. In addition, the Administrative Council approved a supplementary publications budget of \$367,812 and an expenditure estimate of \$246,065 for the African Broadcasting Conference to be held in Madrid in 1964.

Summary analysis of the 1964 budget

156. The 1964 appropriations show a decrease of \$176,678 or 4.31 per cent as compared with the 1963 revised appropriations.

157. The largest part of this reduction is attributable to a decrease of \$147,153 under the item "Personnel services", resulting from a cut of \$223,611 in the provision for short-term staff, partly offset by increased requirements

for permanent and temporary posts due inter alia to a strengthening of the manning-table approved by the Administrative Council. The Council decided that there should be 336 permanent posts as against 333 in 1963 for the ordinary budget, and 22 such posts as against 17 in 1963 for Technical Co-operation.

158. It should be noted that the introduction of new salary scales for General Service staff, together with a change in the post adjustment and an increase in the cost-of-living allowance paid to staff retired under the 1927, 1949, and 1958 systems have caused an appreciable rise in staff costs, although this was already apparent in 1963. In this connexion, the Council authorized the inclusion of additional credits amounting to \$97,222 in the budget for 1963.

159. The balance of the decrease in the 1964 budget occurs under the items "General services" (\$26,307) and "Other budgetary provisions" (\$3,218).

Prospects

160. In view of the fact that the Administrative Council of the Union had to approve a supplementary appropriation in 1963, as indicated in paragraph 158 above, the Advisory Committee inquired into the 1964 prospects in this connexion. It was given to understand that no basic revisions of the 1964 budget were currently foreseen; however, from 1965 onwards, if developments in space communications kept up at an ever-increasing pace, as seemed likely, there would be a very large expansion in world-wide communications, hence a corresponding increase in the responsibilities of ITU to make sure that chaos was avoided in the field of telecommunications.

161. In this regard, it may be recalled that the International Telecommunication Union is basically a regulatory agency. However, it has recently been called upon to play an operational role in several spheres. The Plenipotentiary Conference which will meet in Switzerland in 1965 on the occasion of the hundredth anniversary of the Union, may amend the Convention so as to include operational activities in the work of the agency. At present, the only operational part played by ITU is through its participation in the Expanded Programme of Technical Assistance and through Special Fund projects. This work is carried out by the Technical Co-operation Department of the General Secretariat of the Union and its costs are paid by the respective programmes.

Publications programme

162. The Advisory Committee noted with interest the healthy financial results of the ITU publications programme. It was informed that this programme was operated strictly as a commercial venture. The Union fixes the prices of its publications at a level sufficiently high to cover all costs and does not issue documents at a loss.

Staff assessment plan

163. The Committee was informed that ITU had made no arrangements for the adoption of a staff assessment plan.

H. WORLD METEOROLOGICAL ORGANIZATION

	1963 <u>Appropriations</u>	1964 <u>Appropriations</u>
	(US dollars)	
Personnel services	635,653	865,374
General services	215,534	355,975
Special projects and activities	75,831	37,500
Other budgetary provisions . . .	8,421	8,750
Total (gross)	935,439 ^{a/}	1,267,599
<u>Less:</u> Casual revenue	2,500	2,500
Total (net)	932,939	1,265,099

a/ Includes re-appropriation of 1962 budgetary surplus (\$25,061) and supplementary appropriation (\$96,000) for new urgent projects.

164. The Advisory Committee had an opportunity to discuss the 1964 budget of WMO and related matters with the Secretary-General of that organization.

165. The budgetary system of the World Meteorological Organization is based on the approval by the World Meteorological Congress of a maximum level of expenditures for the financial period of four years following each session of

Congress. The budget for each financial year, 1 January-31 December, is adopted by the Executive Committee of the Organization at its annual session preceding the year in question.

166. The fourth World Meteorological Congress, held in Geneva in April 1963, approved a maximum expenditure of \$5,373,581 for the fourth financial period of the Organization, 1 January 1964 to 31 December 1967, and authorized the Executive Committee to incur additional expenditure to meet increases in staff salaries and allowances consequent on comparable changes in United Nations salaries and allowances. In a separate resolution, Congress also authorized the Executive Committee to incur additional expenditure up to \$1,500,000: (a) for the implementation of an international meteorological plan to meet expected needs in the light of rapid technical development subject to its prior approval by Member States; and (b) for recommended regional and inter-regional projects and assistance to developing countries.

167. The budget for 1964, the first financial year of the fourth financial period, was adopted by the Executive Committee at its fifteenth session (Geneva, 29 April-2 May 1963), in a total of \$1,267,599 which compares with a revised appropriation of \$935,439 for 1963, or an increase of \$332,160 (35.51 per cent).

Summary analysis of the 1964 budget

168. In view of the fact that, as already stated, 1964 is the first year of a new financial period, the Advisory Committee inquired into the principles and assumptions on the basis of which the new four-year budget had been prepared and approved.

169. As regards meetings, the Fourth Congress decided to retain the present policy, whereby each session of a constituent body, with the exception of Congress and the Executive Committee, is held at the invitation of the government of a member country which acts as host to the session and bears the expenditure connected with the material arrangements, linguistic facilities and secretarial help required for the session. However, provision was made for some assistance from the Organization for interpretation services in cases where host-countries experienced difficulty in obtaining such personnel and equipment locally. The relevant appropriation is therefore based on the same considerations as for previous budgets and covers meetings of the Executive Committee, the Advisory Committee, the Regional Association for Africa, two technical commissions and several working groups thereof. The 1964 programme of meetings is not directly comparable with 1963 because a large proportion of the 1963 appropriation was to provide for the Fourth Congress.

170. With respect to the internal organization and strength of the secretariat, the Advisory Committee was informed that the establishment for the fourth financial period was reviewed by the Fourth Congress in the light of its decisions regarding the Organization's policy and programme of activities. This review resulted in:

- (a) A number of changes including: (i) the creation of new offices of the Assistant Secretary-General, the Planning Unit and the Regional Representative for Africa; (ii) the merging of the services for administration, conferences, publications and finance in one division, responsible to the Deputy Secretary-General; and (iii) the re-organization and enlargement of the Technical Division into sections responsible for applied meteorology, hydrology, telecommunications and networks, research, and training;

- (b) A general strengthening of the secretariat manning-table to be achieved by phasing the recruitment of the new staff, commencing in 1964 and reaching the maximum number of established posts (131) in 1967. The increase in the staff from 79 established posts in 1963 to 111 in 1964 accounts to a large extent for the increase in the appropriation for this part of the budget.

Publications fund

171. The Fourth Congress reviewed the administration of the Publications Fund during the third financial period (1960-1963). In view of the acknowledged success of this form of financing the publications programme, it was decided to continue the same method in the fourth financial period. Accordingly, annual subventions will be made as before from the regular budget and revenue from the sale of publications will also be credited to the Fund. The cash receipts for the period 1 January 1960 to 30 June 1963 amounted to \$92,546 which exceeds the proportion of the revenue estimated by the third Congress for the whole period (\$100,000) by over \$5,000.

Publications of the International Geophysical Year (IGY) and International Geophysical Co-operation (IGC) meteorological data

172. The fourth Congress decided that the surplus standing to the credit of the IGY/IGC account at 31 December 1963 should be transferred to a new special account entitled the WMO-IQSY^{30/} Fund, to be used exclusively for the assistance to WMO activities in relation to the international years of the quiet sun. The stock of microcards of IGY/IGC data will be merged at that date with the stock of WMO publications, and any income derived from the sale thereof will thenceforth be credited to the Publications Fund.

Special Fund programme

173. WMO is participating, as executing agency, in the United Nations Special Fund programme. By an internal arrangement between the World Meteorological Organization and the United Nations Bureau of Technical Assistance Operations,

^{30/} International Quiet Sun Years.

the latter deals with the administrative aspects of the Special Fund projects for which WMO is the executing agency. The full responsibility for all technical aspects of those projects and their over-all execution remains with WMO.

174. In the plan of operation of each project, a lump-sum amount is provided by the Special Fund for the administrative and operational services costs of WMO for the full period of the project, a portion of which is paid by WMO to the United Nations for handling the administrative aspects of the project. Seven Special Fund projects have been assigned for execution by WMO, the duration of which varies from 3 to 4 1/2 years. The net project budget for the seven projects provided by the Special Fund, excluding the governments' counterpart contributions, is \$3,824,200. WMO, as the executing agency, has the responsibility for the control and operation of these funds.

Expanded Programme of Technical Assistance

175. The participation of WMO in the Expanded Programme has increased in terms of allocated funds from \$327,900 in 1960 to \$1,119,000 in the biennium 1961-1962 and \$1,803,790 in the biennium 1963-1964.

Personnel questions

176. The Fourth Congress reviewed the WMO Staff Regulations in the light of the experience gained during the third financial period and inter alia instructed the Executive Committee to make such amendments to the salary scales for the professional grades and above as were required in the light of amendments to the United Nations scales, so as to keep the salary scales for WMO staff in those categories at the same level as the corresponding United Nations scales during the fourth financial period. It further decided that the WMO Staff Regulations should not apply to staff employed in field projects of the various technical assistance activities of the Organization not financed by the Organization itself.

177. After discussing a report on the status and salaries of the WMO Secretariat staff, submitted by the Executive Committee, the Fourth Congress decided to base WMO policy in regard to staff recruitment during the fourth financial period on the principles summarized below.

178. The Secretariat staff of the Organization is divided into four categories:

- (a) Scientific staff: scientifically qualified persons, preferably with experience in national meteorological services;
- (b) Technical staff: persons with technical experience in national meteorological services but not necessarily possessing the qualifications of the scientific staff as defined above;
- (c) Administrative and linguistic staff: persons in senior posts in the administrative, finance, personnel, translation and similar sections;
- (d) Supporting staff: secretaries, typists, mimeograph operators, etc.

179. Appointments to posts in these four categories would be subject to the following rules:

- (a) Scientific staff: All appointments of persons not already in the Secretariat, to the senior posts on the scientific staff (P.5 and above) would be on a fixed-term basis, on the understanding that the appointments could be renewed if necessary. For grades P.3 and P.4, there would be both permanent and fixed-term appointments. Because of the small number of posts involved, no particular percentage for fixed-term appointments has been laid down. The Secretary-General would decide the number of fixed-term appointments in the light of circumstances. All appointments, however, should be based, in the first instance, on a two-year fixed-term contract.
- (b) Technical staff: Appointments should be on a permanent basis so as to encourage staff in that category to make a career as technical assistants in the Secretariat. Nevertheless, the Secretary-General should be free to make fixed-term appointments if he saw fit.
- (c) Administrative and linguistic staff and
- (d) Supporting staff: In principle all posts should be on a permanent basis but, to permit of some flexibility, the Secretary-General should be authorized to keep a small number of such posts on a fixed-term basis.

180. The Fourth Congress considered that the duration of a fixed-term contract should be decided by the Secretary-General, taking into account all relevant considerations, but should not exceed four years. Such contracts, however, should be renewable. No distinction is made in regard to base salaries between career and fixed-term appointments.

Staff assessment plan

181. The Advisory Committee was informed that WMO had made no arrangements for the adoption of a staff assessment plan.

I. INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION

	1963	1964
	<u>Appropriations</u>	<u>Estimates</u>
	(US dollars)	
Personnel services	304,550	432,320
General services	115,350	197,050
Special projects and activities	-	-
Other budgetary provisions	1,350	1,500
	<hr/>	<hr/>
Total (gross)	421,250	630,870
<u>Less:</u> Casual revenue	8,350	6,800
	<hr/>	<hr/>
Total (net)	412,900	624,070

182. IMCO, which came into being in 1959, operates on the basis of financial periods, each of two calendar years. As at 1 October 1963, the Organization had fifty-six members.^{31/}

^{31/} Argentina, Australia, Belgium, Brazil, Bulgaria, Burma, Cameroon, Cambodia, Canada, China, Czechoslovakia, Denmark, Dominican Republic, Ecuador, Finland, France, Federal Republic of Germany, Ghana, Greece, Haiti, Honduras, Iceland, India, Indonesia, Iran, Ireland, Israel, Italy, Ivory Coast, Japan, Republic of Korea, Kuwait, Liberia, Madagascar, Mauritania, Mexico, Morocco, Netherlands, New Zealand, Nigeria, Norway, Pakistan, Panama, Poland, Senegal, Spain, Sweden, Switzerland, Syria, Tunisia, Turkey, USSR, United Arab Republic, United Kingdom, United States and Yugoslavia. /...

183. At its eighth session (21-24 May 1963) the Council of IMCO examined the budgetary estimates for the third financial period 1964-1965, prepared by the Secretary-General in accordance with Article 35 of the IMCO Convention and Article III of the Financial Regulations.

184. The Council has asked the Secretary-General to arrange for an Organization and Method Study to be made of the Secretariat. As a result of this study, the Secretary-General has made certain amendments to his budgetary proposals. The Council, at its ninth session in September 1963, recommended the revised budget proposals to the Assembly, which accepted the budgetary estimates as shown below.

185. For the third financial period 1964-1965, the estimate total \$1,459,370, comprising \$630,870 for 1964 and \$828,500 for 1965. It may be recalled that the IMCO Assembly at its second session (London, 1961) authorized a maximum expenditure of \$892,350 for the second financial period (1962-1963) and appropriated \$471,100 for 1962 and \$421,250 for 1963. However, actual expenditure totalled \$401,299 for 1962 and is estimated at \$477,000 for 1963.

186. Expenditures for meetings are lower in 1964, since no major conferences will be held in that year. The higher amount in 1965 is attributable to the next session of the Assembly and to a diplomatic conference on the facilitation of travel and transport to be held in 1965.

187. Staff costs will increase because of a proposed strengthening in the manning table from 43 posts in 1963 (15 professional and above, plus 28 General Service) to 56 in 1964 (18 professional and above, plus 38 General Service). This manning table reflects minimum requirements and does not include short-term staff provided for under temporary assistance.

188. The rise in the provision for General Services is due for the most part to considerably higher estimates for office equipment and machines, communications and freight, and especially for rental of premises, insurance and utilities. The amount shown for printing and publications is nearly doubled.

Staff assessment plan

189. The Advisory Committee notes that no arrangements have been made by IMCO for the adoption of a staff assessment plan.

J. INTERNATIONAL ATOMIC ENERGY AGENCY

	1963	1964
	<u>Regular budget</u>	<u>Regular budget</u>
	(US dollars)	
Personnel services	4,874,000	4,971,500
General services	680,500	687,000
Special projects and activities	1,783,000	1,786,000
Other budgetary provisions ..	-	-
Total (gross) ...	7,337,500	7,444,500
<u>Less:</u> Casual revenue	215,000	224,500
Total (net)	7,122,500	7,220,000

190. The Advisory Committee had an opportunity to discuss the 1964 budget of the IAEA and related matters with a representative of the Director-General of the Agency.

191. At its recent session (24 September - 1 October 1963), the General Conference approved the budget estimates submitted to it by the Board of Governors. These estimates were initially prepared by the Director-General, revised by the Board's Administrative and Budgetary Committee in May 1963 and finally adopted by the Board of Governors in June 1963.

192. The figures shown above relate to the "regular budget", which is financed from assessments on Member States and provides funds for activities defined as "administrative" by the Agency's Statute. It covers the costs of the Agency's two governing bodies, the Secretariat and functional programme activities such as: panels and committees of experts; special missions to Member States; seminars, symposia and conferences; distribution of information; research contracts in connexion with health and safety matters and safeguards methods; the implementation of safeguards, the handling and storage of fissionable materials other than materials furnished by Member States; power reactor studies, the application of radioisotopes in agriculture, hydrology and medicine; and such operating costs of the laboratory facilities as are attributable to any of these activities.

193. In addition to the regular budget, IAEA has an "operational budget" which is not appropriated, but is set in the form of a target for voluntary contributions to carry out various operational activities which, under the Agency's Statute cannot be funded by the regular budget. These include the provision of technical assistance to Member States in the form of experts, equipment, fellowships, training courses and training facilities, research assistance, and expenses incurred in connexion with materials, facilities, plant and equipment acquired or established by the Agency in carrying out its functions. It also covers the operating costs of such facilities as the Agency's laboratory to the extent they are engaged in activities not covered by the regular budget. Some income for the operational budget is derived from the supply of goods and services by the Agency to Member States, special contributions for specific activities and miscellaneous income.

194. The following table shows the level of the operational budget for 1962, 1963 and 1964:

	\$
1962	1,638,862
1963	2,224,600
1964	2,367,500

The comparatively low amount in 1962 reflects the actual shortfall in voluntary contributions, whereas 1963 and 1964 reflect the target amounts. In accordance with article XIV.F of the Statute, the General Fund is the depository of voluntary contributions of money from Member States or from other authorized sources. It provides, by transfers to Operating Funds I and II, monies for the operational activities of the Agency. Operating Fund I covers the Agency's laboratory, the Monaco project (oceanographic laboratory) and the Trieste Theoretical Physics Centre (see para.199 below). Operating Fund II covers three main items: exchange and training, technical assistance and research contracts.

Summary analysis of the 1964 budget

The regular budget

195. The budget for 1964 provides basically for a programme which continues that of 1963 and previous years. The Advisory Committee was told that this represented a period of consolidation and an attempt to minimize budgetary increases in order to allow another year in which the organization and programme of the Agency might be reviewed to assure maximum utilization of available manpower and financial resources.

196. Expenditures under the regular budget, totalling \$7,444,500, show an increase of \$107,000 or 1.46 per cent over 1963. However, if account is taken of the relatively higher figure for casual revenue, the assessable amount is only \$97,500 or 1.37 per cent over the corresponding 1963 figure.

197. The main components of this increase in expenditures are the following:

- (a) Decrease of \$44,000 in respect of the General Conference and Board of Governors, due to a change in the pattern of work which shows a declining trend for translation and documentation services, resulting in a corresponding reduction of staff costs for such work, in particular for the Board of Governors;
- (b) Net increase of \$3,000 for functional programmes activities resulting from a rise of \$93,500 in the provision for scientific and technical services and laboratory charges almost completely offset by reductions in the appropriation for seminars, symposia and conferences, and by anticipated savings on printing costs included under section 6, distribution of information;
- (c) Net increase of \$111,500 under the heading "Secretariat", attributable to an increase of \$139,500 in staff costs (\$95,000 of which is due to the introduction of a class 1 post adjustment at Vienna effective 1 April 1963) with an offsetting decrease of \$28,000 in the estimates for duty travel of staff to reflect savings which will be achieved by more extensive use of tourist and economy class travel;
- (d) Increase of \$36,500 for common services, supplies and equipment mainly due to rental of additional data-processing equipment to improve methods of retrieving and disseminating scientific information.

/...

The operational budget

198. The target for voluntary contributions to finance the operational programme for 1964 has been retained at the \$2 million level. Special contributions of \$290,000, miscellaneous income of \$50,000 and income of \$27,500 from reimbursable services by the laboratory are expected to bring the operational budget to an estimated total of \$2,367,500 in 1964 compared with \$2,224,600 in 1963.

199. The 1964 programme introduces a new activity under Operating Fund I (see para. 194 above): a Centre of Theoretical Physics which will be established in Trieste, Italy. The host Government will provide all necessary buildings, installations and facilities in addition to an annual cash contribution of \$250,000. Contributions from the Agency include \$20,000 for a summer school from the regular budget and \$35,000 for fellowships in theoretical physics from the operational budget. A nominal amount of \$10,000 has been included in the estimates for contributions which other Member States may make. It is estimated that \$315,000 will be adequate to cover the operating costs of the Centre for the first year. Operating Fund I also provides for an increase of \$23,900 in the expenditures for the laboratory in 1964; operational funds for the Monaco oceanographic laboratory contract in 1964 remain at the 1963 level of \$40,000.

200. Because of declining income from miscellaneous sources and because there are no further funds within General Fund balances carried forward from prior years, the estimated funds available for technical assistance projects and related Operating Fund II activities^{32/} in 1964 will be only \$1,848,000 compared with \$1,979,000 shown in the 1963 budget. Both of these figures are much higher than actual resources are apt to be because of the usual shortfall in voluntary contributions. In 1962 the target of \$2,000,000 resulted in only \$1,248,000 being available for Operating Fund II programmes although the budget would have provided \$1,743,000 for this purpose if the full target had been received.

201. The Advisory Committee would recall that the Fifth General Conference adopted a resolution^{33/} inviting economically developed Member States to make

^{32/} As indicated in para. 194 above, these include fellowships and training activities, experts and equipment and research contracts to be placed in less-developed countries.

^{33/} Resolution GC (V)/RES/100.

voluntary contributions to the operational budget "in amounts that are at least the same percentage of the target for each year as their assessed contributions to the regular budget" and that other countries should make at least a token contribution.^{34/} The Committee was informed, however, that the percentage of the target which will be attained may well decline. In 1962, voluntary contributions of \$1,340,000 (plus a special \$40,000 from Monaco) were pledged, including twenty-two Member States which equalled or exceeded their assessment ratio. In 1963, as of 7 October, only twenty-one Member States have equalled their assessment ratio and pledges are about \$40,000 less than in 1962. The pledging committee at the seventh General Conference, which was concluded in the first week of October 1963, received pledges which are over \$100,000 below the level recorded at a comparable time in 1962.

Established posts

202. The 1964 budget provides for a net increase of fifteen posts over the 1963 establishment as shown in the following table:

Authorized posts	1963	1964
Professional	282	278
General Service	320	336
Maintenance and operatives	105	108
Total	707	722

203. While the Secretariat will be reduced by eight Professional and seven General Service posts, the change from external to internal reproduction of publications will result in an increase in the over-all manning table by twenty-one General Service and three Maintenance and Operatives posts, the cost of all of which are, however, absorbed in the reduced provision for printing costs (see para. 197 (b) above). Moreover, the staff of the functional laboratory facilities will be increased by four Professional and two General Service posts.

^{34/} See also A/5332, para. 121.

Staff assessment plan

204. In September 1963, the Board of Governors of the Agency approved the introduction of a Staff Assessment Plan as of 1 January 1964. This plan, which provides for the same assessment rates as the United Nations scheme, will be identical in all particulars with the system which will become effective in ILO on the same date.

Long-term programme

205. During the past year, a long-term programme has been developed in order to expedite effectively the Agency's activities. This programme, covering the years 1965-1970, has now been approved by the Board of Governors and the General Conference. In connexion with this programme, the General Conference in early October 1963 passed a resolution requesting the Director-General to formulate, within the framework of the long-term programme, specific projects and activities, especially of a regional character, with special regard to the priorities set for the Development Decade, and fields of work which would foster economic development. The resolution mentioned that nuclear power, desalting of water, use of radioisotopes to improve crops, disinfect food grains, eradicate insect pests and measure underground water, are peaceful uses of nuclear energy which are of special interest to the developing countries.
