



UNITED NATIONS
GENERAL
ASSEMBLY



Distr.
GENERAL

A/7805
3 December 1969

ORIGINAL: ENGLISH

Twenty-fourth session
Agenda item 80

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

General co-ordination matters

Twenty-third report of the Advisory Committee on Administrative
and Budgetary Questions to the General Assembly at its twenty-
fourth session

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I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has taken note of chapter XIII of the report of the Economic and Social Council to the General Assembly at its twenty-fourth session,^{1/} entitled "Development and co-ordination of the activities of the organizations within the United Nations system".
2. In accordance with its terms of reference, the Advisory Committee has examined the administrative budgets or budget estimates for 1970 of the specialized agencies and the International Atomic Energy Agency (IAEA), whose agreements with the United Nations provide for transmittal of their budgets for review by the General Assembly.^{2/} At the same time, the Advisory Committee inquired into a number of general problems affecting co-ordination between the United Nations and the specialized agencies, including some problems which have been of concern during the past year to the Economic and Social Council and the Committee for Programme and Co-ordination.
3. In chapter II below, the Advisory Committee submits its observations and recommendations on developments relating to:
 - (a) The central machinery for co-ordination;
 - (b) Implementation of the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies;
 - (c) Administrative procedures in the specialized agencies for handling reports by members of the Joint Inspection Unit;
 - (d) Electronic data processing;
 - (e) The accommodation problems of the specialized agencies;
 - (f) The common system;
 - (g) Rate of growth of the regular budgets of the specialized agencies.

^{1/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 3, (A/7603).

^{2/} 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.

4. The Advisory Committee has submitted a separate report to the General Assembly on the administrative budgets or budget estimates for 1970 of the specialized agencies and IAEA (A/7818). Two other reports by the Advisory Committee to the General Assembly at its current session are germane to the consideration of agenda item 80. They are the reviews of the administrative and budgetary procedures concerning the programme and budget of the World Health Organization and the International Telecommunication Union (A/7765).

5. For ease of reference, the Advisory Committee indicates below the paragraphs containing its observations and recommendations on the issues covered in chapter II below:

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6. The General Assembly may wish, as in previous years, to request the Secretary-General to refer to the executive heads of the specialized agencies and IAEA, through the consultative machinery of the Administrative Committee on Co-ordination (ACC) any matters arising in the present report and the discussion thereof in the Fifth Committee which call for attention by ACC.

7. In the interests of better co-ordination between various United Nations bodies, the General Assembly may also wish to request the Secretary-General to transmit this material, for their information, to the Committee for Programme and Co-ordination, the United Nations Board of Auditors and the Joint Inspection Unit.

8. As regards the reviews of the administrative and budgetary procedures concerning the programme and budget of the World Health Organization and the International Telecommunication Union, the General Assembly may wish to have the reports brought to the attention of their respective legislative organs.

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II. INTERORGANIZATIONAL ADMINISTRATIVE CO-ORDINATION

A. The central machinery for co-ordination

9. Under the provisions of the Charter of the United Nations, two principal organs - the General Assembly and the Economic and Social Council - share responsibility for co-ordinating the work of the United Nations with that of the specialized agencies. The Assembly's responsibility derives from Articles 17.3, 58 and 60; that of the Economic and Social Council from Articles 63 and 64.
10. In the discharge of its co-ordinating functions, the General Assembly has been assisted by the Advisory Committee on Administrative and Budgetary Questions and, from time to time, by ad hoc bodies established to carry out certain specific tasks of limited duration. For its part, the Economic and Social Council has worked at the intergovernmental level through its sessional Co-ordination Committee and, in between its sessions, through the Committee for Programme and Co-ordination and its predecessors. At the inter-secretariat level, it has been assisted by the Administrative Committee on Co-ordination, a standing Committee established pursuant to Economic and Social Council resolution 13 (III) of 21 September 1946.
11. In recent years, two other bodies were added to the central machinery for co-ordination. One of them was the Enlarged Committee for Programme and Co-ordination, which was set up under General Assembly resolution 2188 (XXI). Its composition and responsibility were defined as follows in operative paragraph 1:

"1. Requests the Economic and Social Council... to enlarge its Committee for Programme and Co-ordination by five additional Member States, to be designated by the President of the General Assembly for a period not exceeding three years... ; the enlarged Committee shall be responsible to the Assembly and, under its authority, to the Council."

The other is the Joint Inspection Unit, which was set up by the General Assembly upon the recommendation of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies, but whose reports have proved of interest also to the Economic and Social Council and its subsidiary bodies.^{3/}

^{3/} The Advisory Committee has dealt in separate reports (A/7728 and A/7738) and in section C below with various aspects of the work of the Joint Inspection Unit.

12. In the meantime the activities of the United Nations itself, including its subsidiary organs and the voluntary programmes associated with it, increased in scope and complexity, calling for improved co-ordination both internally and vis-à-vis the specialized agencies and IAEA. The greatly increased workload falling on the various co-ordinating organs and the lack of a clear definition of the functions and responsibilities of some of them have led the Member States and the Executive Heads of the organizations in the United Nations system to ask themselves a number of searching questions concerning the division of responsibilities in the matter of co-ordination between the intergovernmental and the inter-secretariat organs, and also within the former group.

13. If proliferation of overlapping programmes is to be avoided, if the limited resources of the United Nations and the specialized agencies are to be channelled to the best advantage of the Member States, there is need for improvement in the central machinery for co-ordination and for a clearer delineation of the mandates of the various organs involved. Under the provisions of the Charter, this is a task for the General Assembly.

The Enlarged Committee for Programme and Co-ordination

14. The task entrusted to the Enlarged Committee for Programme and Co-ordination by the General Assembly in resolution 2188 (XXI) was as follows:

"to undertake, as a matter of priority and in the light of the continuing work of other United Nations bodies in the field of co-ordination, planning and evaluation, a review which would provide:

(a) A clear and comprehensive picture of the existing operational and research activities of the United Nations family of organizations in the field of economic and social development and an assessment thereof;

(b) On the basis of the data specified in sub-paragraph (a) above, recommendations on modifications in existing activities, procedures and administrative arrangements which might be necessary and desirable in order to ensure:

(i) The maximum concentration of resources, at present and increasing levels, on programmes of direct relevance to Member States;

(ii) A flexible, prompt and effective response to the specific needs of individual countries and regions, as determined by them, within the limits of available resources;

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- (iii) The minimum of burden on the administrative resources of Member States and of members of the United Nations family of organizations;
- (iv) The evolution of an integrated system of long-term planning on a programme basis;
- (v) The institution of systematic procedures for evaluating the effectiveness of operational and research activities."

15. In its final report to the Council (E/4748), the Enlarged Committee points to the great complexity of the problems involved and to certain weaknesses in programme and budget building. All too often programmes are built upon the recommendations of Governments and intergovernmental bodies without sufficient recognition being given to ongoing programmes and the establishment of priorities. As a result, there has been a certain proliferation of United Nations programmes, with the attendant danger of reducing their over-all effectiveness and making them less directly responsive to the practical needs of Member States.

16. Having analysed the various problems, the Enlarged Committee put forward in its report a number of specific recommendations dealing with

- (a) The establishment of a reconstituted Committee for Programme and Co-ordination;
- (b) The use of computers in the United Nations system;
- (c) Machinery for scientific and technical advisory services in the United Nations system;
- (d) Meetings of the United Nations top echelon in the economic and social fields;
- (e) Programme co-ordination - prior consultations on work programmes by agencies;
- (f) Co-ordination at the national level; and
- (g) Framework of headings for classification of substantive programmes and activities.

The proposals of the Enlarged Committee are before the current session of the General Assembly.

17. As regards the reconstitution of the Committee for Programme and Co-ordination (CPC), the Enlarged Committee has recommended that the new body, to consist of twenty-one members, be elected by the Economic and Social Council,

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and that it retain the intergovernmental character of the present Committee. The recommendation makes provision for the designation of Special Rapporteurs, the engagement of outside consultants and joint consultations and collaboration with the Joint Inspection Unit. It is recommended that the reconstituted Committee would be responsible to the Economic and Social Council and through it to the General Assembly; that it could submit to the Council recommendations addressed to the specialized agencies, the General Assembly and to Members of the United Nations as envisaged in Article 63.2 of the Charter; that it would be concerned with the review of programme planning, implementation of programmes, their evaluation and the effectiveness of co-ordination machinery; that, in consultation with the Secretary-General, it would develop its own processes for carrying out the envisaged system of long-term planning and programme formulation; that it would keep under continuous review the further steps required to implement within the United Nations the recommendations of the Ad Hoc Committee of Experts concerning the development of an integrated system of long-term planning, programming and budgeting; that it would carry out certain programme functions, including an annual general review of the totality of the Secretary-General's work programme in the economic, social and human rights fields, in the light of its budgetary implications; it would also make a review in depth of selected sectors of the work programme, phased over a period of time; and would help the Council and the General Assembly in the establishment of programme priorities within the United Nations.

The Administrative Committee on Co-ordination

18. The concern for the need to improve the co-ordination machinery at the inter-secretariat level clearly emerges from the thirty-fifth report of the Administrative Committee on Co-ordination (ACC) to the Economic and Social Council (E/4668 and Add.1), which was also transmitted to the Advisory Committee for information. In it, ACC draws attention to the constant growth in the range and scope of its activities, which is directly attributable to the increase in the volume and interdependence of international activities and in the number of organizations and programmes involved; ACC believes that this growth is likely to

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continue in the 1970s. In particular, the task of interagency co-ordination is unavoidably affected by the marked tendency for activities in similar or closely related fields to be called for independently by different intergovernmental organs. At the same time, new machinery is being created at the intergovernmental level, either specifically for co-ordination purposes or in which co-ordination plays an important role. In the opinion of ACC, the effectiveness of its own efforts to overcome the resultant complexities and duplication will inevitably depend in large measure on arrangements that can be made at the intergovernmental level.

19. The ACC has been reviewing its own functions and has already taken certain measures in order to adapt its arrangements and procedures so that more time can be devoted to policy issues. The terms of reference of its subsidiary bodies are being scrutinized and the strengthening of the ACC secretariat is under consideration.^{4/}

20. The programme questions considered by ACC and reported on in its thirty-fifth report to the Economic and Social Council (E/4668 and Add.1) included the Second United Nations Development Decade, protein problems, the human environment, International Education Year, youth, population questions, outer space and natural disasters. The Advisory Committee notes from paragraph 8 of this report that, while considerable progress has been made in some of those areas, difficulties still persist in others (e.g. the protein problems and water resources). The ACC also considered the use of volunteers in field projects, evaluation of programmes of technical co-operation, and various public information and administrative questions, including computers and procedures for the handling of reports by members of the Joint Inspection Unit. In addition to its annual report to the Economic and Social Council, ACC also issued special statements on the Second United Nations Development Decade (E/4710) and on the problems of the human environment (E/4718).

^{4/} A note on the mandate, subsidiary machinery and staff support of the Administrative Committee on Co-ordination is to be found in document E/AC.51/35/Rev.1.

Joint meetings of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination

21. The fourth series of Joint Meetings of the Committee for Programme and Co-ordination and the Administrative Committee on Co-ordination took place in Geneva on 10 and 11 July 1969 and in New York on 23 October 1969. The exchange of views at the July meeting (E/4717 and Corr.1) covered preparations for the Second United Nations Development Decade, some draft proposals of the Enlarged Committee for Programme and Co-ordination and the question of the handling of reports by members of the Joint Inspection Unit. At the October meeting, the agenda consisted of the question of the restructuring of the machinery for co-ordinating the activities of the United Nations system, and the question of the periodicity of the Joint Meetings. The meeting clarified the contribution which ACC can make to promoting the work of the United Nations system; it was decided that the practice of holding annual meetings should be continued (E/4755 and Corr.1).

22. In section IV of resolution 1458 (XLVII) of 8 August 1969, the Economic and Social Council noted with satisfaction that the Joint Meetings had once again proved their value in facilitating understanding and co-operation among those dealing with interagency issues at the intergovernmental and executive levels, respectively. And in resolution 1466 (XLVII) of 31 October 1969, the Council took note of the report on the resumed Joint Meetings.

The work of the Committee for Programme and Co-ordination

23. During the first part of its third session (21 April-13 May 1969), the Committee for Programme and Co-ordination (CPC) considered the work programme of the United Nations in the economic, social and human rights fields and its budgetary requirements (E/4670 and Corr.1). The Committee found that it was unable to carry out some of the studies in depth it had wished to undertake or to review new work in certain areas. It became clear to CPC that the 1969 programme of work described in the report on its second session in 1968^{5/} together with the additional

5/ Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 9 (E/4493/Rev.2).

responsibilities assigned to it by the Council, exceeded the capacity of the Committee to complete its task within the allocated time; accordingly, the Committee proposed to review its work programme and to extend it over a four-year period.

24. During the second part of its third session (9-27 June 1969), CPC reviewed the thirty-fifth report of ACC (E/4668 and Add.1) and the annual reports of the specialized agencies and IAEA. It also discussed tourism, matters connected with the Joint Inspection Unit and other questions. As can be seen from the CPC's report (E/4716), the Committee expressed regret that ACC had not covered in its report a number of important and controversial subjects, where problems of co-ordination were known to exist, such as science and technology, industrial development and tourism. It recommended that ACC be invited to comment on those questions in its 1970 report to the Council, and also on the Second United Nations Development Decade; population; computers; natural resources; water resources; implementation of the recommendations in the report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies; ^{6/} and reports by members of the Joint Inspection Unit.

Consideration by the Economic and Social Council of matters relating to co-ordination

25. Questions relating to co-ordination were in the forefront of the attention of the Economic and Social Council at its forty-seventh session. The Council adopted the following resolutions dealing with various co-ordination issues:

1450 (XLVII) on the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations;

1453 (XLVII) on co-ordination at the country level and the role of the Resident Representatives of the United Nations Development Programme;

1455 (XLVII) on computers; ^{7/}

^{6/} Official Records of the General Assembly, Twenty-first Session, Annexes, agenda item 80, document A/6343.

^{7/} See section D below.

- 1456 (XLVII) on the report of the Committee for Programme and Co-ordination on the United Nations work programme;
- 1457 (XLVII) on supplementary arrangements for handling the reports of the Joint Inspection Unit;^{8/}
- 1458 (XLVII) on the reports of the CPC on co-ordination matters, of the ACC, of their Joint Meetings, and of the specialized agencies and IAEA;
- 1459 (XLVII) on the development and co-ordination of the activities of the organizations within the United Nations system.
26. The Advisory Committee noted that the Council, in section II of resolution 1458 (XLVII), decided to work on the basis of the analytical summaries of the annual reports of the specialized agencies and IAEA, and to dispense with the circulation of the full reports, on the understanding that copies thereof would be available for reference purposes.
27. In resolution 1459 (XLVII), the Council decided to return, at its forty-ninth session, to a detailed examination of the question of devising further measures to strengthen the co-ordinating role of the Council.

Observations of the Advisory Committee

28. The Advisory Committee welcomes the attention paid to co-ordination questions by the Economic and Social Council, the Enlarged Committee, CPC and ACC. It attaches importance to the discussions held in the course of the Joint Meetings as to the respective roles of the intergovernmental bodies, on the one hand, and of inter-secretariat organs, on the other. Their roles are mutually complementary, and a clear delineation of the functions involved is essential for the efficient functioning of the co-ordinating machinery.
29. Policy decisions concerning the initiation, continuation, curtailment or discontinuance of programmes, and the allocation of particular activities to this or that member of the United Nations system, are matters for intergovernmental organs. In this respect, the role of the Executive Heads individually, and collectively through the ACC, is advisory, but this does not mean that it is

^{8/} This question has been considered by the Advisory Committee in its seventh report to the General Assembly at its current session (A/7738).

unimportant. On the contrary, their close familiarity with the work of the United Nations system makes it possible for them to identify both the areas where new programmes may be desirable and also those where new programmes would lead to duplication and overlapping. This information must then be made available to the competent intergovernmental programme-formulating and co-ordinating organs, so that they can take their decisions in full knowledge of all the relevant facts. In the Advisory Committee's opinion, there is room for improvement in the manner in which this service is now rendered to the intergovernmental organs concerned. In particular, there would seem to have been instances when the representatives of the Executive Head have not brought to the attention of intergovernmental organs (and indeed may themselves have been unaware of) the activities already carried out by other organs in an area where new action was being proposed. Once full information has been provided, it becomes incumbent on the intergovernmental organs to frame their decision in a manner to prevent duplication of effort (e.g. by clearly defining the terms of reference of new bodies and, if necessary, curtailing the competence of existing bodies). In this connexion, the Advisory Committee would recall that, in its twelfth report to the General Assembly at the latter's twenty-second session,^{9/} it drew attention to the importance of what it described as "preventive" co-ordination, i.e. efforts to avoid duplication before it occurs.

30. Accordingly, the Advisory Committee welcomes ACC's opinion, as expressed in its thirty-fifth report to the Economic and Social Council, that "the main task of the ACC is to identify, for the benefit of the Council and the governing bodies of the organizations concerned, the major problems that confront the United Nations system of organizations, and collectively to tender advice on the manner in which its resources should be used to resolve such problems in a constructive manner".^{10/} To that end, the members of ACC propose to devote major attention to a limited number of key policy issues; a presentation of the substantive work of ACC and of the policy issues on which ACC had reached agreement would be

^{9/} Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 79, document A/6910, paras. 10 ff.

^{10/} E/4668, para. 16.

included in the Secretary-General's annual address to the Economic and Social Council.

31. The Advisory Committee notes that the intent of ACC, as expressed in paragraph 16 of its report, was further elaborated by the Secretary-General in the statement he made on behalf of ACC at the resumed Joint Meeting of CPC and ACC. The Secretary-General explained that, while the first and basic task of ACC was still to ensure effective co-ordination and co-operation in the United Nations family, that was now very largely - at any rate as regards the practical details - taken care of by the Preparatory Committee, the various subsidiary organs of ACC and the Office for Inter-Agency Affairs. The "policy issues", referred to in the report of ACC, naturally did not mean "political issues", nor did ACC mean to impinge in any way on the authority of Governments, which would not only be contrary to the duty of the members of ACC, but clearly impossible. What ACC was referring to were the factors within the purview of member organizations that all Governments had to take into account in order to devise feasible solutions.^{11/}

32. An issue that is closely related to the questions of the initiation, continuation, curtailment or discontinuance of programmes is that of priorities both between and within programmes. Despite the general recognition of the importance of that issue, little progress has been made so far. Decisions with regard to priorities naturally fall within the competence of intergovernmental organs, but experience has shown that their task becomes more difficult in the absence of recommendations by the Executive Heads.

33. Co-ordination in the implementation of programmes, once they have been approved and allocated by the competent intergovernmental organs, is primarily the task of the intersecretariat machinery. An example of such machinery is furnished by the establishment, on a provisional basis, of an Intersecretariat Committee on Scientific Programmes Relating to Oceanography, on which the United Nations, FAO, UNESCO, WMO and IMCO are represented (A/C.2/247). The main contribution intergovernmental organs can make in this area is by conducting periodic in-depth examinations of individual programme sectors and a reassessment of the continued validity of decisions establishing individual projects and activities; the importance of such periodic reviews has been duly recognized by CPC.

^{11/} E/4755, para. 7.

34. As regards the delineation of the spheres of competence of the intergovernmental bodies concerned with co-ordination of programmes and with administrative and budgetary co-ordination, the functions of the two are mutually complementary. The former deal with the programme aspect of the question, administrative and budgetary data being furnished to them only to provide a complete picture of the situation; such organs cannot appropriate funds or earmark personnel and other resources for individual programmes and activities. The latter, on the other hand, are concerned with the most economical and efficient utilization of resources necessary to implement the approved programmes; they, for their part, cannot amend or disallow such approved programmes.

B. Implementation of recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies

35. The General Assembly, in operative paragraph 6 of its resolution 2475 (XXIII), of 21 December 1968, requested the Advisory Committee to continue to review the progress made in the implementation of the recommendations of the Ad Hoc Committee and to report to the General Assembly in this regard in its annual reports on the administrative and budgetary co-ordination of the United Nations with the specialized agencies and IAEA.

36. The Advisory Committee would recall that, in its ninth report to the General Assembly at its twenty-third session,^{12/} it expressed conviction that "if the recommendations of the Ad Hoc Committee are kept under consideration by all organizations, individually and collectively, considerable further progress can and should be made towards their full implementation".

37. An analysis of the action taken by the specialized agencies since the submission of the Secretary-General's report to the General Assembly last year^{13/} indicates that, while some progress has been made by individual agencies in implementing a number of the Ad Hoc Committee's recommendations, and by the United Nations system in studying others which call for concerted action, a great deal still remains to be done.

38. The recommendation on which best progress has been made in the past twelve months concerns the introduction of procedures for long-term planning (recommendation 29).^{14/} Action on this recommendation has been taken by the ILO, UNESCO, WHO, and IMCO.

^{12/} Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 80, document A/7323, para. 7.

^{13/} Ibid., addendum to agenda item 80, documents A/7124, Add.1 and Add.1/Corr.1.

^{14/} Ibid. The numbering of the recommendations refers to the paragraph numbers in annex I to document A/7124, in which these recommendations are listed consecutively.

39. The Director-General of the ILO has decided to prepare a long-term plan for 1972-1977, to be presented to the Governing Body in May 1970. The plan will identify the major objectives of the ILO on the basis of analyses to be prepared by the Regional Directors and by the organization's technical departments; the objectives for the major service and support programmes will be expressed in terms of increased effectiveness and efficiency. The Director-General intends to present an integrated document to the Governing Body at its February-March 1971 session, incorporating the Draft Programme and Budget for 1972-1973, a plan for 1974-1975 and a tentative plan for 1976-1977. Thereafter, in the non-budget years, the Director-General will present a review of the long-term plan to determine progress achieved in meeting the objectives laid down in the plan.

40. The UNESCO General Conference adopted a resolution at its fifteenth session (October-November 1968) in which it requested the Director-General to implement fully recommendation 29. It invited the Director-General to submit to the sixteenth session of the General Conference a long-term outline plan covering three budgetary periods (that is, six years). Accordingly, a plan covering the years 1971-1976 will be submitted to the General Conference in October 1970. Thereafter the plan will be updated and extended so as to ensure that at every session the General Conference would have before it a six-year plan of the Organization's activities.

41. The twenty-second World Health Assembly adopted a resolution^{15/} in which it requested the Director-General "to take the necessary steps" to implement proposals concerning long-term planning in the field of health. By the same resolution, the Assembly decided that, in principle, WHO should adopt a system of biennial programming.

42. The Advisory Committee was informed by IMCO that in implementation of the Ad Hoc Committee's recommendations with regard to long-term planning, the IMCO Council had established a Working Group on Objectives and Methods. However, an examination of the report on the second session of the Working Group in May 1969^{16/} reveals that the Working Group dealt with the efficiency of work methods and procedures rather than with long-term programme planning; the Advisory Committee hopes that at its future meetings the Working Group will be able to pay increased attention to long-term programme planning.

^{15/} Resolution WHA 22.53 of 25 July 1969.

^{16/} IMCO document C XXII/9.

43. The other recommendations of the Ad Hoc Committee on which action has been taken by the specialized agencies during the past twelve months are as follows:

44. Recommendation 3 (review of the budget estimates by a financial committee or similar body): At its twenty-second session, in May 1969, the IMCO Council discussed the establishment of a formal Budget Committee. It decided that the pre-Council Budgetary Working Group should retain its present character, but that it should meet for not less than two days and submit a more formal report to the Council than hitherto.

45. Recommendation 6 (Common principles of budgetary presentation): The Executive Council of UPU has decided to supplement its traditional budget presentation by object of expenditure with a breakdown by main fields of activity.

46. During consideration of the budget for 1970, the Board of Governors of IAEA expressed full support for the planned change to a complete programme budget format beginning in 1971; in addition to the breakdown of the estimates by programmes of activity, the budget will include a breakdown of the estimates by objects of expenditure.

47. On the other hand, the ILO, UNESCO and IAEA have informed the Advisory Committee that, in the absence of agreed definitions of the terms "administrative costs", "operational costs" and "general research and study costs", they cannot prepare a budget annex giving such a breakdown of expenditures. Similarly, UNESCO has been unable to prepare an annex on the classification of projects by the country in which they are carried out since much of the necessary information is not available at the budget preparation stage.

48. Recommendation 8 (reporting on budget performance): The World Health Assembly, by resolution WHA 22.53, requested the Director-General of WHO to provide in each annual financial report information relating to budget performance. Similarly, the Executive Council of UPU has decided that a budget performance report should be circulated to all States members of the Union. All the organizations in the United Nations system have now indicated that they have implemented recommendation 8 of the Ad Hoc Committee; an examination of the replies shows, however, that the nature and scope of the information included in the performance reports varies from organization to organization.

49. Recommendation 25 (the budget cycle): At its fifty-third session, in June 1969, the International Labour Conference adopted the first biennial

programme and budget of the ILO, covering the period 1970-1971. By contrast, the Executive Council of UPU has decided not to implement the recommendation on the biennial budget on the grounds that such a budget would not be suitable for UPU in the present circumstances (as the annual budget is related to an annual expenditure ceiling based on the programme of activities adopted by the Universal Postal Congress for a five-year period). Of the organizations in the United Nations system, five (United Nations, WHO, UPU, ITU and IAEA) have one-year budget cycles, four (the ILO, FAO, UNESCO and IMCO) have two-year cycles, and two (ICAO and WMO) have cycles of more than two years.

50. Recommendation 27 (a) (observations by the external auditors on administrative and management matters): The World Health Assembly, in operative paragraph 2 of resolution WHA 22.4 of 17 July 1969, requested the External Auditor of WHO "to include in his reports, beginning with his examination of the accounts of 1969, substantive comments on the administration and management of the Organization. Action on recommendation 27 (a) was also taken by the Executive Committee of WMO at its twenty-first session; in a letter dated 1 August 1969, addressed to the Secretary-General of WMO, the External Auditor of the organization indicated that its Financial Regulations already comply with the recommendation in question.

51. Recommendation 30 (evaluation): On 25 July 1969, the World Health Assembly adopted resolution WHA 22.53 in which it requested the Director-General of WHO to take the necessary steps to implement the proposals for the improvement and strengthening of the evaluation process in the organization. The ILO has also taken certain steps to improve its evaluation arrangements both at headquarters and in the field.

52. A number of other recommendations of the Ad Hoc Committee have been the subject of continuing discussion at the interagency level through working parties of the Consultative Committee on Administrative Questions (CCAQ). They are:

- Recommendation 4 (uniform budget layout);
- Recommendation 24 (standardization of financial regulations);
- Recommendation 26 (standardization of nomenclature);
- Recommendation 43 (budgetary presentation of the cost of conferences and meetings).

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53. A study on budget presentation in the United Nations system, prepared under the auspices of the Advisory Committee pursuant to recommendation 4, will be placed before the General Assembly at its current session.

54. The Advisory Committee understands that little progress has been made so far on the standardization of financial regulations (recommendation 24), because, in the opinion of the Consultative Committee on Administrative Questions (CCAQ), this recommendation could not be dealt with thoroughly before more progress was made on recommendations 4 and 26.

55. As regards recommendation 26 much has already been done; ACC has agreed on eighty-three terms in English and French, and a glossary is being prepared to include the agreed definitions in the two languages, and their translation into Russian and Spanish.

56. With respect to recommendation 43 on the budgetary presentation of the cost of conferences and meetings, CCAQ, in the spring of 1969, established a form for a standard budget annex on the direct and indirect costs of conferences and meetings.

Observations of the Advisory Committee

57. The Advisory Committee has been informed that the competent organs of several specialized agencies intend to give further consideration at their forthcoming meetings to a number of recommendations of the Ad Hoc Committee. The Advisory Committee trusts that those discussions will enable the governing organs in question to reach final decisions on the implementation of the recommendations on which no action has been taken so far by the organizations concerned. In the meantime, considerable progress should also be made in the subsidiary groups of CCAQ, and in the Consultative Committee itself, on the recommendations the implementation of which calls for agreed action by all the organizations in the United Nations system.

58. Thus, by the opening of the twenty-fifth session of the General Assembly, the process of implementation of the recommendations of the Ad Hoc Committee should have been virtually completed. In the circumstances, the full and detailed report to be submitted by the Secretary-General to the General Assembly at its twenty-fifth session, in accordance with operative paragraph 7 of General

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Assembly resolution 2475 A (XXIII) of 21 December 1968, should indicate clearly to the Assembly the progress made in implementing the recommendations of the Ad Hoc Committee. By that time, the competent legislative organs of all the specialized agencies (with the exception of the General Conference of ITU, which is not scheduled to meet until 1971 or 1972) would have taken decisions on the implementation of the recommendations. The Advisory Committee realizes that, in certain cases, the organs concerned have decided or may decide that certain recommendations may be inapplicable to their particular organizations. The Advisory Committee trusts that the report by the Secretary-General will include a full indication of the reasons for such decisions.

59. The Advisory Committee hopes that sufficient progress will be made during the next twelve months, at both the agency and the interagency level, to enable the General Assembly, at its twenty-fifth session, on the basis of the report to be submitted by the Secretary-General, to take final decisions on the further action to be taken in implementing the recommendations of the Ad Hoc Committee.

C. Administrative procedures in the specialized agencies for handling reports by members of the Joint Inspection Unit

60. During the eighteen-month period from 1 January 1968, when the Joint Inspection Unit came into existence, to 30 June 1969, members of the Unit submitted seven formal reports and a number of informal notes to the several organizations in the United Nations family. Of these formal reports, two were addressed specifically to the United Nations, one to UNESCO and one to WHO; the other three were of interest to several organizations (A/C.5/1241). As the experience of individual organizations in handling inspection reports might be helpful to the others, the Advisory Committee invited the organizations to indicate what procedures they had established in the matter. The agencies' replies are summarized below.

ILO

61. Specific responsibility for the necessary administrative action on inspection reports has been delegated to the Research and Planning Department. This Department is the sole channel for all communications being sent to or received

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from the Joint Inspection Unit and for other matters of liaison. The Department allocates assignments to the various departments of the ILO and indicates a time-table for the submission of material to be used in the preparation of the Director-General's observations. All reports to be placed before the Governing Body of the ILO are submitted to the Financial and Administrative Committee and, depending on the subject-matter, to other standing committees of the Governing Body. These committees propose recommendations to the Governing Body on reports by members of the Joint Inspection Unit. The Governing Body did not take formal decisions on the reports it discussed at its sessions in February-March and May 1969.

FAO

62. Reports of the Joint Inspection Unit are routed from the Director-General to the Area Services Division, which is responsible for obtaining the observations of the competent segments of the organization within established deadlines. In order to cope with the additional workload resulting from the handling of inspection reports, a temporary P-4 post together with one secretarial post are being created in 1969. The Director-General proposes that the professional post, but at the P-5 level, be provided for in the 1970-1971 budget estimates.

63. At its fifty-second session, in June 1969, the Council of FAO concurred with the opinion of the Programme and Finance Committees that the procedures for handling inspection reports, as agreed in ACC, appeared workable and could be tried out on an experimental basis.

64. On those occasions, when the Council of FAO would be unable to transmit its own comments to the Economic and Social Council and CPC in good time, the Programme and Finance Committees have been authorized by the Council of FAO to forward directly to the Economic and Social Council and CPC those inspection reports or portions thereof which concern the co-ordination of the activities of FAO in the economic and social fields with those of other organizations in the United Nations system, together with the comments of the two Committees and the observations of the Director-General. As regards Economic and Social Council resolution 1457 (XLVII), the Director-General intends to request approval from the Council in order to comply with the procedures and time-limits indicated in that resolution.

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UNESCO

65. The organization has not indicated whether it has standard administrative procedures for handling inspection reports. The Director-General's comments on inspection reports and notes specifically addressed to UNESCO and on reports addressed to several organizations have been placed before the Executive Board and the General Conference. These organs adopted formal resolutions in which they took note of the inspection reports and of the comments and proposed action by the Director-General.

WHO

66. The focal point for dealing with the inspection reports is the Unit of Administrative Co-ordination, which reports directly to the responsible Assistant Director-General. This unit immediately forwards copies of the reports received to the Director-General, Deputy Director-General, all Assistant Directors-General and the six Regional Directors of WHO. The comments and observations received are consolidated and appropriate action, depending on the nature of the report, is subsequently taken.

67. The Advisory Committee has been informed that the only inspection report to date to have been addressed solely to WHO (the report on WHO assistance to developing countries) was received on 6 February 1969 and submitted, together with the Director-General's observations, to the Executive Board of WHO on 24 February 1969, that is, within less than three weeks. The summary records of the Board's discussions and the resolution adopted were subsequently forwarded to the Chairman of the Joint Inspection Unit and to the External Auditor of WHO.

WMO

68. Although WMO has not as yet received any inspection reports addressed solely to it, it has already laid down standard procedures for the handling of such reports. Over-all responsibility for the necessary administrative action lies with the Deputy Secretary-General and the various steps involved are recorded on a standard Action sheet.

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IAEA

69. The Director-General brings inspection reports to the notice of all the members of the Agency's Board of Governors in his periodic reports to the Board; these periodic reports deal with progress in the implementation of programmes, with administrative and financial matters, and events and actions outside the Agency which are of interest and concern to it.

70. So far the Agency has not received any inspection reports addressed solely to it. Five reports addressed to several organizations have been brought to the notice of the Board in the way described in the preceding paragraph, but to date no specific comment has been offered by any member of the Board or the Board as a whole on any of those reports.

Other agencies

71. ICAO, UPU, ITU and IMCO have indicated that they have not received any inspection reports or notes addressed specifically to them.

Observations of the Advisory Committee

72. The replies received by the Advisory Committee indicate that the specialized agencies have made the necessary administrative arrangements to ensure that the points raised in the inspection reports are dealt with expeditiously by the services concerned. Responsibility for such action lies in each case with a centrally placed unit or individual, reporting directly to the executive head or one of his immediate assistants. The value of such arrangements is illustrated by the ability of the Director-General of WHO to submit his observations to the Executive Board of the organization within a period of less than three weeks after receipt of an inspection report (see paragraph 67 above).

73. The Advisory Committee notes that one agency has had to add two posts to its manning-table in order to cope with the extra workload resulting from the handling of inspection reports (see paragraph 62 above).

74. The Advisory Committee's observations on the report on the activities of the Joint Inspection Unit, January 1968-June 1969 (A/C.5/1241), and on the supplementary arrangements for handling the reports of the Joint Inspection Unit (A/C.5/1242), are contained in the Committee's sixth (A/7728) and seventh (A/7738) reports to the General Assembly at its current session.

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D. Electronic data processing equipment

75. In its twenty-sixth report to the General Assembly last year,^{17/} the Advisory Committee described the action taken or contemplated by various intergovernmental organs and by the members of the United Nations system, in order to derive maximum advantages from the electronic data processing equipment available to the members of the system. The steps taken by individual specialized agencies and the various co-ordinating organs since the twenty-third session of the General Assembly are summarized below.

76. The Advisory Committee was informed by the ILO that its computer is at present used on a two-shift basis for about 330 hours a month. It is expected that this will increase to over 400 hours a month in 1970 and to over 500 hours a month in 1971. The ILO plans therefore to increase the central processing unit in speed and size of memory and possibly the number of terminals by the end of 1971, and to do so in a manner which will provide full compatibility with the WHO computer installation, so that, in case of urgency, peak-load or breakdown, either organization can immediately make use of the other's computer.

77. The present utilization of the ILO computer is as follows: 40 per cent on administrative work, including management information, accounting, payrolls and personnel statistics; 20 per cent on information storage and retrieval from the ILO socio-economic data bank, using the Integrated Scientific Information System (ISIS), which has been developed by the ILO itself, and is run as an on-line system; 30 per cent on substantive work for research and planning (such as work connected with the World Employment Programme); and 10 per cent for training, outside users and the requirements of the data processing unit. Additional applications, selected on the basis of the findings of cost-benefit studies, will be implemented in varying degrees in the next two years.

78. The Food and Agriculture Organization has only had its own computer since June 1969. The Advisory Committee has been informed that FAO's planned computer work will be substantially affected by the recommendations of an outside consulting firm engaged by the organization. The Committee looks forward to discussing that study with FAO when its results have become available.

^{17/} Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 79, document A/7380, paras. 54-68.

79. The Advisory Committee was pleased to learn that UNESCO already participates in the work of the Computer Users' Committee (CUC) even though its present computer requirements are modest. The United Nations Educational, Scientific and Cultural Organization has informed the Advisory Committee that by October 1970, when it will require some 200 hours of computer time a month (which is expected to rise to 350 hours a month within a year), it will become more economical for UNESCO to rent its own computer for installation in UNESCO headquarters. In preparation for this, UNESCO has engaged in systems analysis, programming and training of staff. The applications under study include an integrated system for personnel administration, accounts, network planning (for new UNDP Special Fund projects and for major conferences), country profiles, a computerized documentation service, a management information system, and reversible multilingual terminology lists. Some of the activities to be computerized will involve co-operation with other organizations (such as with WHO in respect of the inventory of oceanographic expeditions).

80. The International Atomic Energy Agency has informed the Advisory Committee that its present installation is intended to meet most of the needs of IAEA and UNIDO both for scientific calculations and for general purpose data processing (personnel records, payrolls, accounts, etc.). The configuration was selected bearing in mind especially the needs of the International Nuclear Information System (INIS), a co-operative scheme involving the Agency and its member States, for producing and using a comprehensive magnetic-tape catalogue of the world's literature dealing with nuclear science and its peaceful applications. The Agency's plans to develop new and exploit existing reactor codes (which require lengthy calculations) may make it necessary in 1971 to expand the core storage of the computer.

81. The Advisory Committee has been informed that, under provisional agreement between IAEA and UNIDO, the equipment and facilities of IAEA will be made available to UNIDO on a reimbursable basis. Under this agreement, UNIDO will meet its own needs for systems analysis and programming, but, to ensure the necessary close co-operation between programmers and operators, UNIDO programming staff will receive office space from IAEA.

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82. As regards the other organizations, ICAO is at present giving consideration to replacing its existing punched-card equipment with a computer. The UPU, WHO and IMCO have no computers of their own; WHO has informed the Committee that it has good co-operation with WHO as regards its computer requirements. The Advisory Committee's comments on the computer installations of WHO and ITU are contained in the Committee's reports on these two agencies.^{18/}

Interagency co-operation

83. An account of the activities of the Computer Users' Committee (CUC) established by ACC on the recommendation of the Advisory Committee, is contained in the thirty-fifth report of ACC to the Economic and Social Council.^{19/} Those activities included the preparation of an inventory of computer equipment available in the organizations of the United Nations system and of the uses to which it is put; this inventory will be kept up to date on a permanent basis. The Computer Users' Committee also inquired into the advantages and disadvantages of the different kinds of computer services; the use of commercial service bureaux; and the alternative method of access by agencies to computer facilities (separate installations, sharing of installations and a common centre). These inquiries have not led to any definite conclusions.

84. The ACC has requested the Computer Users' Committee to ensure a continuing exchange of information between agencies on hardware, software and future plans; to pursue its work of standardization, classification and coding, which is essential to a unified computer system; and to serve as a centre for the harmonization of studies in the field of computers requested by various United Nations bodies.

85. The ACC informed the Economic and Social Council that the present situation is, on the whole, satisfactory and that it would be premature to accelerate the move towards the centralization of equipment in one or more common centres; the question would have to be restudied, should the present situation change, especially if there is a substantial increase in computerized work.

^{18/} For the report on ITU, see A/7756, paras. 104-111; the report on WHO will be issued subsequently.

^{19/} E/4668, paras. 67-76.

86. In the opinion of ACC, the real problem is one of programmes rather than equipment. The outcome of the studies currently under way should be awaited. In order to determine the most appropriate computer system for the purposes of the United Nations family, it was important to know the type of information which may be required by governing organs and managements. At the same time, it was essential that the conclusions of these various studies should be harmonized in order to avoid duplication and to achieve a greater uniformity and a more effective exploitation of the data obtained.

Consideration of the question of Computers by inter-governmental organs

87. The ACC's report was considered by the Committee for Programme and Co-ordination (CPC) during the second part of its third session.^{20/} The CPC considered that that report did not give the impression that the agencies and the Computer Users' Committee were fully aware of the concern of Governments over what appeared to be an urgent and potentially costly problem; and that little account appeared to have been taken so far of the injunctions of intergovernmental bodies with regard to the use of computers. At the same time, CPC agreed with ACC that there was danger of duplication with regard to the large number of reports and studies called forth in the field of computers. The CPC reiterated its earlier recommendations and, in particular, that any proposal for the installation of new computers be scrutinized in advance by the Computer Users' Committee, and that the terms of reference and the authority of that Committee be reinforced so as to enable it effectively to perform its tasks. The ACC and the members of the United Nations system were requested to intensify their efforts to co-ordinate their computer facilities and programmes. The ACC was also requested to submit a further report on this question to the Council in 1970.

88. The use of computers in the United Nations system was also the subject of recommendations by the Enlarged Committee for Programme and Co-ordination in its final report.^{21/} The ECPC indicated that it had been unable to get a clear, comprehensive picture of the practical and financial implications of the application

^{20/} E/4716, paras. 35-37.

^{21/} E/4748, paras. 37-42.

of computers to management, to the collection, storage, retrieval and dissemination of information, and to the economic and social development programme of the United Nations system. While "A study of the capacity of the United Nations development system", ^{22/} carried out under the auspices of the United Nations Development Programme, would cover some of the area with which ECPC was concerned, there was no United Nations organization or office capable of preparing the type of general but concise report that Governments needed in order to see the problems in perspective and to take the steps that would lead to a co-ordinated - if not integrated - computer system in the United Nations.

89. The ECPC recommended that the General Assembly should request the Secretary-General, in consultation with ACC, CPC and the Advisory Committee, to prepare, if possible, an interim report in 1970, and a final, concise and comprehensive report, to be submitted to the Council in 1971, and, if appropriate, to the General Assembly, describing the existing and planned computer facilities in the United Nations system, their adequacy and the methods adopted for their rational use, the problems involved in co-ordinating their operations within the system and with the facilities in Member States; their use in management; information activities; the transfer of technical and scientific data; the administration of technical assistance, and any other related aspects which the Secretary-General considers should be included. The ECPC envisaged that such a report should be prepared at no extra cost in conjunction with the report requested in operative paragraph 6 of Economic and Social Council resolution 1455 (XLVII).

90. The question of computers was the subject of particular attention at the forty-seventh session of the Economic and Social Council. The reports of ACC and of CPC (see paragraphs 83-86 and 87 above) provided the basis for the discussion. The Council adopted resolution 1455 (XLVII) the operative paragraphs of which read as follows:

"1. Reaffirms paragraph 5 of its resolution 1368 (XLV), and in particular that member organizations' plans for computer facilities should be fully discussed in the Computer Users' Committee of the Administrative Committee on Co-ordination, in the light of possible alternatives before being submitted to the governing bodies concerned;

^{22/} DP/5, vols. I and II.

2. Considers that, pending eventual decisions on the advantages or otherwise of establishing common computer facilities, individual member organizations should refrain from committing themselves to establishing or extending their own computer facilities, except in applications where this can be justified in the short term as a measure of economy or to meet urgent programme needs; and that the Advisory Committee on Administrative and Budgetary Questions should be given the opportunity to comment on such plans at the appropriate stage;
3. Endorses the suggestion of the Administrative Committee on Co-ordination that, before any new studies are undertaken in the computer field by United Nations bodies, the Computer Users' Committee should be informed of their purpose and scope and should have the opportunity to comment on them;
4. Welcomes the directive given to the Computer Users' Committee by the Administrative Committee on Co-ordination for continuing its work, and in particular for collating and harmonizing the various studies that are being, or may be undertaken;
5. Urges the Administrative Committee on Co-ordination and its Computer Users' Committee, with such expert assistance as may be necessary, to pursue actively its work in the field of standardization, classification and coding, and to seek general acceptance of such common classifications and codes as are essential for a more effective interchange of information and programmes and the central storage of standard data required for development planning and management purposes;
6. Requests the Administrative Committee on Co-ordination, after the completion of the study being undertaken for the United Nations Development Programme on the conceptual design of an information storage and retrieval system, and taking account of other relevant studies, to make a summary report to the Council, through its Committee for Programme and Co-ordination, on the most effective and economical ways of collecting and producing information for which United Nations member organizations have a common need and on the main points requiring consideration by the Council in judging the advantages or otherwise of establishing common computer facilities for the United Nations system in different applications;
7. Expresses the hope that the United Nations member organizations will be able to find within existing resources the means to finance whatever technical expertise may be required by the Computer Users' Committee;
8. Requests the Committee for Programme and Co-ordination to arrange to give thorough examination to the report referred to in paragraph 6 above."

Observations of the Advisory Committee

91. The discussions which the Advisory Committee has had with the representatives of the Secretary-General and the Executive Heads of the specialized agencies lead

the Advisory Committee to the conclusion that, unlike the situation of even a few years ago, there is now a growing awareness on the part of all the members of the United Nations system of the advantages that would accrue from a co-ordinated approach to the use of electronic data-processing equipment. The work already done by the Computer Users' Committee has contributed to this increased awareness. At the same time, the Committee realizes that this is but the first step towards the establishment of coherent policies and arrangements regarding the operations and activities to be computerized, the equipment to be used, how it is to be financed and shared etc. The studies requested by the Economic and Social Council and ECPC indicate the desire of the Member States to be provided with a clear and comprehensive view of the situation.

92. At the same time, the Advisory Committee notes the concern expressed in the Economic and Social Council about the financial implications of resolution 1455 (XLVII).^{23/} Reservations about the cost of the various studies related to electronic data processing were also voiced by the representatives of some specialized agencies in their discussions with the Advisory Committee.

93. In considering the question of electronic data processing, a distinction must be drawn between the broader question of the application of computers and computation techniques to promote the development of the developing countries (which is being studied under the auspices of the Advisory Committee on the Application of Science and Technology to Development) and the more immediate question of determining the optimum capacity configuration and applications of computer installations in the United Nations family. As regards the latter, the Advisory Committee is of the opinion that it would be advantageous to attempt to consolidate the various requests for studies and information referred to above.

94. In this connexion, the Advisory Committee learned with interest that the Auditor-General of Canada, in his capacity as a member of the United Nations Board of Auditors, has submitted to the Secretary-General a special management study of the electronic data-processing facilities and operations of the United Nations in New York, Geneva and Vienna. The Committee has been informed by the Secretary-General that the report has been of considerable value to him. The Secretary-General proposes, inter alia, to establish a small ad hoc electronic data processing

^{23/} Official Records of the General Assembly, Twenty-fourth session, Supplement No. 3 (A/7603), para. 593.

planning unit directly responsible to the Under-Secretary-General for Administration and Management, which will, as a high-priority task, undertake negotiations and discussions with the specialized agencies and UNDP on the feasibility of and practical arrangements for the establishment of an interagency computing centre in Geneva. The Secretary-General intends to submit a progress report to the Advisory Committee in the first half of 1970.

95. The Advisory Committee has also been informed that ACC has recommended that a second phase of the study of electronic data-processing facilities and operations be carried out by the Board of Auditors, to cover the specialized agencies located in or within technically and economically feasible computer linking distances of Geneva. The Board of Auditors has recommended that the specific objectives of the study should be to assess the organization's present and expected needs for computer services; to review the organizations' arrangements to meet their respective needs; to consider the relative advantages of alternative arrangements for sharing common computer facilities; and to identify the need for further investigations or inquiries. The Advisory Committee recommends in this connexion that, in the course of the study, due regard should be paid to the points raised in Economic and Social Council resolution 1455 (XLVII) and by ECPC in its final report, so as to ensure that the information sought by the intergovernmental organs is consolidated, if possible, in one report, with a consequential saving in costs.

96. The Advisory Committee intends to return to this question at its summer session in 1970, bearing in mind the views expressed by the Council in operative paragraph 2 of its resolution 1455 (XLVII), and the invitation addressed to the Advisory Committee by ECPC (see paragraph 89 above) in connexion with the report recommended by it. The Committee will report on the forthcoming developments to the General Assembly at its next session.

E. The accommodation problems of the specialized agencies

97. The problems encountered by members of the United Nations system in providing adequate premises for their expanding activities and staffs, and the mounting cost of accommodation for individual organizations and for the system as a whole, has led the Advisory Committee to the conclusion that member States would find it useful to have an over-all view of the present situation and of the developments likely to occur in the next several years. As the question of common premises in the field has been the subject of frequent review, the Advisory Committee focused its inquiry mainly on the situation at the headquarters of the agencies which account for the bulk of the expenditure on accommodation.

Headquarters accommodation

98. The present situation at the headquarters of the agencies is summarized in the table below. The Advisory Committee noted that, with the exception of the ILO and UNESCO, which expect that their present premises will be adequate until 1972, all the agencies have indicated that their present accommodation is already inadequate or will become so within the next twelve months.

99. As regards the standards of accommodation, there would seem to be considerable variations both between and within agencies as a result of differences in geographical location, in the type of accommodation occupied by individual agencies (since a modern office building provides a more economical and rational floor layout than, say, a converted hotel), and also of the need to house growing staff within a limited space. As one agency informed the Advisory Committee, it has no standards other than trying to accommodate all staff, equipment and documents into space provided. The data on accommodation standards obtained by the Advisory Committee are as follows:

General Service: ILO - 4 to 8 m²; UNESCO - 6.5 to 9 m²; FAO - 5 m²;
ITU - 6 to 10 m².

P-1 to P-3: ILO - 8 m²; UNESCO (P-1 and P-2) - 6.5 to 9 m²; FAO - 7 m²;
ITU - 13.5 m².

P-4 and P-5: ILO - 16 m² and above; UNESCO (P-3 to D-1) - 13 to 21 m²;
FAO - 11 m²; ITU - 20 m².

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Present Headquarters accommodation

Agency	Office accommodation				Conference space m ²	Adequacy	Expenses			
	Owned m ²	Rented m ²	Total m ²	Occupancy			Maintenance \$	Rent \$	Debt repayment \$	Total \$
<u>Geneva</u>										
ILO	a/	a/	20,500 ^{a/}	1,600	1,200	until 1972	531,475	12,200	31,841	575,156
WHO	12,520	-	12,520	1,116	1,310	inadequate	1,075,160	-	578,400	1,651,560
ITU			4,541 ^{b/}	260	500	"	100,694 ^{b/}		133,102	233,796
WMO		2,675	2,675 ^{c/}	245	380	"	56,070	56,430	-	112,500
<u>Rome</u>										
FAO			66,149 ^{d/}	2,987	e/	until 1970	1,059,725	574,162 ^{f/}	65,000 ^{g/}	1,698,887
<u>Paris</u>										
UNESCO	22,244	-	22,244 ^{h/}	1,890	3,675	until 1972 applying present standards	2,120,000	5	1,808,630 ^{i/}	3,928,635
<u>Montreal</u>										
ICAO	-	8,829	8,829 ^{j/}	477	1,348	until 1970	-	212,828	-	212,828
<u>Bern</u>										
UFU	-	87 offices	87 offices	121	1 small room	until 1970	9,907	41,944	-	51,851
<u>London</u>										
IMCO	-	1,986	1,986	93	149	inadequate	8,867	21,598 ^{k/}	-	30,465
<u>Vienna</u>										
IAEA	-	10,690	10,690 ^{l/}	730	1,650	inadequate	42,000	-	-	42,000

(For foot-notes, see following page)

(Foot-notes to table on previous page)

1 square metre = 10.76 square feet.

- a/ Excluding building maintenance workshops, delivery and storage areas, halls and corridors. Includes some 700 m² at present leased to WMO which will become available to the ILO in mid-1970. All but forty offices are in owned buildings.
- b/ ITU owns its headquarters building, but additional space has to be rented; the figure of \$100,694 includes rentals.
- c/ Includes library and 750 m² at present leased from the ILO and WHO; excludes 225 m² out of use because of construction work.
- d/ Includes corridors and service areas.
- e/ 1 plenary hall (1,036 seats); 2 large rooms (300 seats); 3 medium rooms (100-120 seats); 8 small rooms (25-50 seats).
- f/ Main headquarters buildings are made available by the Italian Government at nominal rent of \$1 a year.
- g/ Repayment (in instalments) of advance by UNDP to finance erection of prefabricated structure.
- h/ Excluding corridors, workshops, catering facilities etc. Figures include building to be occupied on 1 January 1970.
- i/ Half of appropriation under part VI of the budget for 1969-1970.
- j/ Plus 1,859 m² for national delegations.
- k/ Net; the gross figure is \$95,512, of which the Government of the United Kingdom pays \$73,914.
- l/ Net office space in headquarters building - provided by Austrian Government at nominal rent.

WHO informed the Committee that the allocation for staff in grades P-4 and below "when assigned to a single office" is 9.5 m². IAEA has indicated that the average allocation is 14.7 m². WMO, ICAO and IMCO have been forced to allocate space largely on an ad hoc basis.

100. Of the ten agencies, four (the ILO, WHO, UNESCO and ITU) own their own headquarters premises; the remaining six rent theirs. Total expenditure amounts to \$8,537,678 consisting of \$5,001,898 for maintenance, \$919,167 for rent, and \$2,616,613 by way of debt repayment.

101. With the exception of WHO, which has so far been unable to obtain the necessary land, all the agencies have taken steps to add to or replace their present headquarters buildings in such a way as to solve their accommodation problems for several years to come. The resultant situation is summarized below.

Period of adequacy of new premises

Agency	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
<u>Geneva</u>											
ILO			x								
WHO ^{a/}											
ITU			x								
WMO	x										
<u>Rome</u>											
FAO ^{b/}					x						
<u>Paris</u>											
UNESCO	x					x					
<u>Montreal</u>											
ICAO			x								
<u>Bern</u>											
UPU	x										
<u>London</u>											
IMCO ^{c/}	x										
<u>Vienna</u>											
IAEA ^{d/}	x		x		x						

Key x - move into new or additional premises.

----- period of expected adequacy of such premises.

----- period of expected shortage of space.

Notes

a/ WHO needs additional accommodation, but has so far been unable to obtain the necessary land.

b/ FAO anticipates that the additional premises expected to be made available by the Italian Government in 1974 or 1975 will not meet the Agency's total requirements at that time.

c/ IMCO expects to have a margin of some 900 m² available for expansion when it moves into its new premises.

d/ Additional temporary accommodation will be provided by the Austrian Government rent-free in 1970 and 1972. It is expected that the permanent headquarters building will be completed in 1974.

102. The additional accommodation to be acquired by the agencies will be as follows:

1970 Geneva WMO will acquire 2,200 m² of office space and 260 m² in conference facilities in an extension to its present headquarters building, which is now under construction; WMO will then release the 750 m² at present leased from the ILO and WHO. The extension will be purchased with the help of a loan of 6.5 million Swiss francs (approximately \$1.5 million) from the Fondation pour les immeubles des organisations internationales repayable in thirty annuities, at a rate of interest of 3 per cent a year; the existing building will be purchased from the Canton of Geneva for \$168,836 net (after offsetting against the purchase price the rent paid by WMO to the Canton over the years).

Bern UPU will move into its new headquarters, the details of which are as follows:

An eight-storey office block (basement: 150-car garage, archives, heating plant, cellars; ground floor: library, exhibition room, caretaker's quarters; mezzanine: philatelic museum, reading room, some offices, caretaker's quarters; first floor: registry, mailing room, printing shop; second to sixth floors: offices (455 m² per floor); seventh floor: restaurant, cafeteria, staff lounge). A conference block (a 200-seat room; two 50-seat rooms, which can be used as one 100-seat room; a small meeting room and a few offices for delegates).

The land (7,000 m²) will be provided free by the Swiss authorities on a 99-year lease. Construction costs will be financed by a grant of 1 million Swiss francs from the Swiss authorities, and a loan not to exceed 19,520,000 Swiss francs, repayable in forty equal annual instalments at a rate of interest of 3 per cent a year.

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- 1970 London IMCO expects to move early in 1970 into new premises virtually twice the size of its present accommodation. The new premises will consist of about 3,810 m² of office space and 370-470 m² of conference facilities. IMCO expects to have a margin of some 900 m² for future expansion. The Government of the United Kingdom will pay 80 per cent of the annual rent.
- Vienna IAEA will acquire some 3,000 m² of office space rent-free in a building now under construction. This should meet the Agency's needs until the middle of 1972.
- 1972 Geneva ILO will move into its new headquarters where it will have 31,500 m² of office and auxiliary working space (that is, excluding building maintenance workshops, delivery and storage areas, halls and corridors), 3,800 m² of conference facilities and 1,200 m² of conference office space. The new building will be financed from the proceeds of the sale of the present main headquarters building to Fondation pour les immeubles des organisations internationales and a loan from FIPOI at a present rate of interest of 3 per cent a year, repayable over forty years. The premises are designed for a staff of some 2,175 (as against present occupancy of 1,200) - which figure, the ILO estimates, may be reached by about 1981.
- ITU expects that the new wing of its headquarters building will be completed in 1972. It will provide accommodation for 350 staff and ancillary working and catering areas. It is planned that, at the outset, about 30 per cent of the office space will be arranged as conference space (and converted to offices as and when required). The construction costs will be financed by a loan from Fondation pour les immeubles des organisations internationales of up to 20 million Swiss francs repayable in twenty-five annual instalments at an interest rate of 3 per cent a year (3-1/2 per cent under certain circumstances).

- 1972 Montreal ICAO is studying proposals by a number of developers with a view to moving in 1972 into new premises of some 16,730 m² of usable office and ancillary working space and 2,325 m² of conference facilities (these figures are expected to provide a margin for expansion to cover the first five years of occupancy). The organization hopes that the Canadian Government will provide an annual subsidy which would enable ICAO to occupy space at \$1.00 per sq. ft. per year (\$10.76 per m²).
- Vienna IAEA expects that it will receive additional space in the building in which it will get accommodation in 1970, thereby meeting its requirements until 1974.
- 1974 Rome FAO expects that in 1974 or 1975 the Italian Government will make available, at no extra charge, additional accommodation of 14,550 m² gross (to include approximately 700 offices and two small conference rooms). This additional accommodation is unlikely to meet FAO's total requirements at the time it becomes available.
- Vienna IAEA may be able to move into its permanent headquarters in 1974. The Agency will be provided with net office space totalling 20,400 m², and will share (with UNIDO) conference facilities of 7,700 m². It is anticipated by IAEA that that would suffice until 1978.
- 1975 Paris In accordance with directives from the General Conference, UNESCO is carrying out studies for a new building of some 10,000 m², to be started in 1972 and to be ready for occupancy by the end of 1974 or early in 1975.

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Regional and sub-regional offices

103. The regional and sub-regional offices of the specialized agencies are located as follows:

In owned premises:

<u>ILO</u>	- Lima
<u>WHO</u>	- Brazzaville, Manila, New Delhi, Washington, D.C.
<u>ICAO</u>	- Paris

In rent-free premises furnished by Governments:

<u>FAO</u>	- Accra, Bangkok, Cairo, Santiago
<u>UNESCO</u>	- Bangkok, Djakarta, Nairobi
<u>WHO</u>	- Alexandria, Copenhagen
<u>ICAO</u>	- Bangkok, Dakar, Mexico City

In rent-subsidized premises:

<u>UNESCO</u>	- New Delhi (host Government contributes some 55 per cent of rental cost)
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In rented premises:

<u>ILO</u>	- Addis Ababa, Bangkok
<u>UNESCO</u>	- Cairo, Montevideo
<u>ICAO</u>	- Cairo, Lima

In jointly-occupied premises:

<u>UNESCO</u>	- Santiago
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As regards the smaller offices of the ILO, three (Brussels, Dakar and Karachi) are in rent-free premises, one (Lusaka) in rent-subsidized premises, and nineteen (Bonn, Buenos Aires, Cairo, Dar es Salaam, Istanbul, Lagos, London, Mexico City, Moscow, New Delhi, Ottawa, Paris, Rio de Janeiro, Rome, San José, Santiago, Taipei, Tokyo, and Washington, D.C.) are in rented premises; two (Algiers and Beirut) share premises with United Nations offices, and one (Port of Spain) has common facilities with UNDP.

104. The information provided to the Advisory Committee makes it clear that, broadly speaking, the present regional and sub-regional accommodation is adequate and will not need to be expanded in the next few years. The only exceptions (excluding modest additional requirements for some of the smaller offices of the ILO) are as follows:

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- UNESCO - Bangkok (to move in 1970 into new building to be provided rent-free by the Government of Thailand);
Santiago (present accommodation is inadequate and the shortage of space is expected to become more acute).
- ICAO - Cairo (present accommodation inadequate; no significant proposals will be submitted before budget period 1972-1974).
- WHO - Copenhagen (the Danish Government is building new modern premises, which will be made available rent-free).

Fao's corps of senior agricultural advisers/country representatives will be housed partly in the offices of UNDP Resident Representatives and partly in the ministries of agriculture of the countries concerned.

Observations of the Advisory Committee

105. The information provided to the Advisory Committee indicates that most of the specialized agencies have taken steps to meet their space requirements for several years ahead, in several instances until the end of the 1970s.

106. As regards the situation in Geneva, the Advisory Committee notes that the new premises of the ILO and ITU, scheduled for occupation in 1972, will contain an ample margin for subsequent expansion. This margin, together with the additional conference and office facilities being built at the Palais des Nations^{24/} should, the Committee hopes, fully meet the needs of the Geneva-based organizations for many years to come.

107. The situation in Rome is and will remain precarious, as FAO anticipates that the additional premises expected to be made available to it by the Italian Government in 1974 or 1975 will not meet the organization's total requirements at that time.

108. UNESCO has indicated that it has plans to extend the conference facilities in existing buildings (to meet the needs of the organization over the next

^{24/} Described in the Advisory Committee's twelfth report to the General Assembly at its twenty-third session (Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 74, document A/7337).

fifteen to twenty years) and for the building of additional office space by 1975 (which will take care of the expected expansion in staff and activities towards the end of the 1970s). While welcoming the fact that the organization has a long-term plan to meet its space requirements, the Advisory Committee would draw attention to the considerable financial burden - at present amounting to \$4 million a year in maintenance costs and debt repayments - attendant upon UNESCO's headquarters building programme. This burden will increase as a result of the proposed building programme, which is expected to cost \$1.5 million for the conference facilities and some \$13 million (including interest on a loan) for the new premises. In order to reduce these costs, UNESCO plans to rent space in its new building until such time as it is required for its own use.

109. UPU in its new headquarters premises, which it owns, and ICAO and IMCO in their planned new premises, to be rented, are all making provision for possible expansion in several years after the move into the new buildings. As was to be expected, the margin allowed for by the organizations which rent their offices is smaller than in the case of UPU, which owns its headquarters.

110. As regards IAEA, the Advisory Committee notes that the Agency expects to obtain additional interim accommodation in 1970 and, again, in 1972 to be provided rent-free by the Austrian Government. The Agency's move into its permanent headquarters will not take place before 1974 or 1975. Bearing in mind IAEA's forecast that the permanent headquarters will be large enough to meet its needs in additional space for some five years, it becomes clear that any delay in the completion of the building would place IAEA in a position of having to seek additional accommodation soon after it has moved into its "permanent" headquarters.

111. With the few exceptions indicated in paragraph 104 above, the specialized agencies do not anticipate any need for sizable additions to their present field offices in the years immediately ahead.

112. As regards interagency co-ordination in tackling their accommodation problems in the field, the Advisory Committee has been informed by the ILO that, in a number of cities, the organization is interested in discussing the possibility of a move to common premises. The Advisory Committee has forwarded this information to the Secretary-General of the United Nations and to the Administrator of UNDP for their information.

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113. Opportunities for co-ordination in the headquarters building programmes are restricted by reasons of geography to Geneva and, to a lesser extent, Vienna. The Advisory Committee trusts that in Geneva the organizations concerned will keep each other constantly informed of their projections in regard to accommodation needs, so that their building programmes can be co-ordinated. In this connexion, it is particularly important that, whenever such projections have to be adjusted in the light of subsequent developments, the impact of these changes on the amount of "poolable" accommodation should be communicated to all the interested organizations. As regards the situation in London, the Advisory Committee has been informed that IMCO could provide accommodation in its new building to other United Nations offices on an interim basis.

114. The Advisory Committee feels that the implications, in terms of accommodation, of decisions involving additions to the staff, particularly if this has an effect on the accuracy of existing projections, should be communicated to the competent legislative organs at an early date.

115. The Advisory Committee noted from the reply of one organization that, in deciding on the size of its new headquarters buildings, it had taken into account the experience of two other agencies, which had found that they outgrew their new headquarters buildings soon after moving into them. In this connexion, the Advisory Committee would like to stress that a full exchange of information on accommodation problems and the proposed solutions is to the advantage of all agencies, even if they are located in different cities.

F. The common system

116. At its seventeenth session, in May-June 1969, the International Civil Service Advisory Board (ICSAB) focused its attention on three main topics: a comprehensive review of the principles underlying the international salary system; management-staff relations; and termination and termination indemnities.

117. In response to the request contained in General Assembly resolution 2486 (XXIII) of 21 December 1968, the Board's report on the salary system has been circulated to the Fifth Committee under cover of the Secretary-General's note (A/C.5/1240). The Advisory Committee notes that the Board decided not to

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proceed with the "world market rates" approach to the problem of establishing the salaries of international civil servants. Instead, the Board invited the organizations to improve their arrangements for the collection and analysis of the data relevant to the establishment of salary scales for international civil servants.

118. As regards the question of management-staff relations, the Board analysed the detailed information it received from the organizations in response to the questions it had put to them in 1968. The Board found that the situation in the common system was complex as compared with the relations between management and public employees in a particular country. Rather than attempt to devise detailed proposals of a rule-making character that would circumscribe the whole common system, the Board felt that it would be more consistent with its advisory role if, from time to time, it were to put forward its general conceptions on significant aspects of management-staff relations. In paragraphs 26 to 45 of its report (ICSAB (XVII)1), the Board discusses management-staff consultations at the agency and the interagency levels. As regards staff access to legislative bodies, the Board states that an analysis of the material concerning the present arrangements does not seem to give grounds for suggesting substantial changes.

119. The question of termination and termination indemnities was considered by the Board at the request of the organizations in the United Nations common system.^{25/} The Board intends to review the whole question more analytically at its eighteenth session, in 1970, in the light of additional information it has requested from the organizations.

120. In addition to termination and termination indemnities, the Board's programme of work for 1970 includes age of retirement; language incentives; review of data on Professional salaries; developments in application of the guiding principles to General Service salaries; recruitment standards; staff training and development; promotion policies; and tenure of appointment.

121. As regards the pension aspects of the common system, the United Nations Joint Staff Pension Board, at its fifteenth session, held in August 1969, decided unanimously to recommend to the General Assembly that the standard annual rate for a retirement benefit should amount to 1/50 of the staff member's final

^{25/} See ICSAB (XVII)1, paras. 46-67.

average remuneration (instead of 1/55 as hitherto) multiplied by the number of years of contributory service, not exceeding thirty. The Board also recommended that the adjustment of benefits in respect of cost-of-living changes contained in General Assembly resolution 2122 (XX) of 21 December 1965 be continued until 31 December 1972. The Board approved a revision of the Regulations of the United Nations Joint Staff Pension Fund and has recommended the revised Regulations for adoption by the General Assembly at its current session. The Board's recommendations are set out in its report to the Assembly at its twenty-fourth session.^{26/} The Advisory Committee's related observations are contained in document A/7791 and Corr.1.

G. Rate of growth of the regular budgets of the specialized agencies, 1965-1969

122. In paragraph 33 of its second report to the General Assembly, the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies stated that

"Estimates should show clearly to what extent proposed increases are due, on the one hand, to expansion of staff, programmes, or activities generally, and, on the other hand, to increases in prices (including in this term salaries and wages). All organizations should adopt a standard budgetary practice and nomenclature in identifying and showing separately increases in proposed expenditure due solely to rises in prices (including salaries and wages), noting that in this context the expression 'mandatory increases' is inaccurate." ^{27/}

123. Bearing in mind, the above recommendation the Advisory Committee invited the specialized agencies to indicate the impact on their budgets, over a five-year period, of increases in prices and of the expansion of programmes. As a corollary, the Committee sought information on the machinery employed in deciding on the rate of growth of the regular budgets.

124. The statistical data provided by the agencies are reproduced in the appendix below. These data are not comparable, because they do not reflect a uniform methodology, and because the impact of cost increases and of programme

^{26/} Official Records of the General Assembly, Twenty-fourth Session, Supplement No. 9 (A/7609).

^{27/} Official Records of the General Assembly, Twenty-first session, Annexes, agenda item 80, document A/6343, para. 33.

increases, respectively, is affected by the location of the particular agency's headquarters and by the proportion of the budget spent at headquarters, on the one hand and in the regions and in the field on the other.

125. Nonetheless, the effect of inflationary pressures in most parts of the world on the size of the budgets of the agencies is patently clear. As a result of these world-wide upward movements in costs and prices, which have been estimated at an average of 3.5-4 per cent a year, virtually all the agencies have reported that inflationary pressures have had a larger impact on the growth of their regular budgets than has expansion of programmes.

126. In its second report to the General Assembly,^{28/} the Ad Hoc Committee of Experts stated that "The heads of the organizations should calculate the budget estimates and control obligations in such a way as to ensure that appropriations are not exceeded". This presupposes that budget estimates would have to include realistic forecasts of increases in prices and wages. The Advisory Committee understands that the question of how to reflect such increases in budget estimates is under study in the Consultative Committee on Administrative Questions. The Committee hopes that the organizations will be able to agree on common policies and methodologies.

127. As regards the machinery for deciding on the rate of growth of the regular budgets, the ILO Governing Body is provided with preliminary programme information some nine months before it takes up the Director-General's detailed programme and budget proposals, which are examined in the Financial and Administrative Committee. Once a consensus has been reached in that Committee, the rate of increase contained in the programme and budget proposals is widely accepted in the Governing Body and by the International Labour Conference.

128. FAO has informed the Advisory Committee that preliminary budget estimates for the ensuing biennium are submitted to the Council at least one year before the Conference which considers the draft Programme of Work and Budget for that biennium. In the organization's opinion, the procedures used for programme and budget formulation have operated quite efficiently.

^{28/} Ibid., para. 39.

129. UNESCO has a system whereby the Director-General informs the General Conference of his views as to the rate of growth during the budgetary period which will begin twenty-six months later. These views are discussed at the Conference, and additional suggestions (which, the Advisory Committee understands, often refer to the rate of growth of the Organization) are submitted by Member States after the Conference. Further discussions are held in the Executive Board, and it is only thereafter that the Director-General prepares the draft programme and budget for the next biennium, making his own assumptions as to appropriate rate of growth.

130. In WHO, the World Health Assembly has, for the past three years, adopted resolutions on the general order of magnitude of the budget for the year following the budget year for which the Assembly had appropriated the funds; the adoption of such resolutions is preceded by the consideration of the relevant reports supplemented by oral statements by the Director-General. The resolution is intended as a general orientation for the Director-General in preparing his proposed programme and budget estimates, and the increases recommended are not intended to provide for any unusual and unforeseen developments. The Advisory Committee has been informed that this procedure has not caused any special problems, but that in view of the limited experience, it is difficult to draw definitive conclusions at this stage.

131. In WMO, the process starts with the examination, by the Executive Committee of the Secretary-General's preliminary ideas on the programme and budget for the next four-year financial period. The detailed programme and budget estimates are prepared on the basis of those ideas and of the comments made orally and in writing by members of the Executive Committee. Before being approved, the estimates are subjected to detailed examination by the Programme and Budget Committees, first of the Executive Committee and later of the World Meteorological Congress.

132. In IAEA, the framework for the discussion is provided by the recently-adopted system whereby the Board, on the basis of proposals by the Director-General, now prepares every second year a six-year programme of work, and develops estimates for the execution of the first year of that programme, preliminary estimates for

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the second year, and trend indications for the remaining period. The effectiveness of this system has not been fully tested.

133. ICAC, ITU and IMCO have reported that they have no special machinery for arriving at a rate of growth for their over-all budgets.

134. The above information indicates that most organizations in the United Nations system have machinery for an exchange of views between the Executive Head and the Member States as to the level of the budget, before budget estimates are formulated and submitted to the competent intergovernmental organ.

APPENDIX

Growth of the regular budgets of the Specialized Agencies

International Labour Organisation

1. During the period 1967-1971, the level of the budget has increased by \$10,852,588 (51 per cent) as compared with 1966, made up of an increase in costs and prices of \$6,090,564 (29 per cent), an increase in programmes of \$4,926,586 (23 per cent) and a net decrease of \$164,562 (1 per cent) in items 17 to 19 of the budget (Other Budgetary Provisions, Unforeseen Expenditure, and Working Capital Fund). Thus 56 per cent of the total budget increase during 1967-1971 is attributable to price increases, 46 per cent is devoted to programme expansion and there is a net decrease of 2 per cent in items 17 to 19 of the budget.
2. Set out below are the annual increases in the regular budget from 1967 to 1971, the figures for each year of the biennium 1970-1971 being shown on a compounded annual basis as compared with 1969. The net changes in items 17 to 19 of the budget are shown under the heading "Other Changes".

	<u>Cost increases</u>		<u>Programme increases</u>		<u>Other changes</u>		<u>Budget totals</u>
	\$	%	\$	%	\$	%	\$
1966	Base year		-		-		21,034,412
1967	1,083,400	5.2	1,457,911	6.9	(258,723)	(1.2)	23,317,000
1968	1,127,574	4.8	541,857	2.3	695,049	3.0	25,681,480
1969	1,236,174	4.8	1,106,982	4.3	(523,947)	(2.0)	27,500,689
1970	1,273,090	4.6	876,321 ^{a/}	3.2	(37,103) ^{a/}	(0.1)	29,613,000
1971	1,370,326	4.6	943,512 ^{a/}	3.2	(39,838) ^{a/}	(0.1)	31,887,000
	<u>6,090,564</u>	<u>29.0</u>	<u>4,926,586</u>	<u>23.4</u>	<u>(164,562)</u>	<u>(0.8)</u>	
Total increase 1967-1971: \$10,852,588 (51.6 per cent)							

^{a/} The deduction from the 1970-1971 programme and budget of \$321,400, representing part of the cost of increased salaries and family allowances for General Service category staff in Geneva, has been counted as a programme decrease.

Food and Agricultural Organization of the United Nations

3. In view of the fact that FAO operates a biennial programme, the information for this organization is provided on a biennial basis. It will be observed that instead of indicating cost increases, FAO has provided data for increases attributable to "mandatory costs".

(In US dollars)

<u>Biennium</u>	<u>"Mandatory increases"</u>	<u>Programme increases (including support services)</u>	<u>Budget totals</u>
1964-1965	Base		38,978,300
1966-1967	7,231,650	4,189,050	50,399,000
1968-1969	3,947,450	5,999,550	60,346,000
1970-1971	5,964,000	5,015,000	71,325,000
	<u>17,143,100</u>	<u>15,203,600</u>	

United Nations Educational, Scientific and Cultural Organization

4. The information provided by UNESCO is in percentage form only. Using the 1965-1966 approved programme and budget as a base, the increases have been as follows:

	<u>Percentage increase over the base</u>	
	<u>1967-1968</u>	<u>1969-1970</u>
	§	§
Price increase	3.5	7.6
Staff cost increase	8.9	18.2
Sub-total:	<u>12.4</u>	<u>25.8</u>
Programme expansion	8.4	16.3
Headquarters construction programme	5.1	4.2
Total increase over base	<u>25.9</u>	<u>46.3</u>

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International Civil Aviation Organization

5. ICAO showed the growth in its regular budget between 1964 and 1968 by parts of the Budget as follows:

<u>Part of the Budget</u>	<u>Expenditure</u> (in thousands of US dollars)		<u>Increase</u> (Decrease)
	<u>1964</u>	<u>1968</u>	
I. Meetings	193	284	91
II. The secretariat	4,997	6,345	1,348
III. General Services	740	827	87
IV. Equipment	126	62	(64)
V. Other budgetary provisions	64	87	23
Gross	6,120	7,605	1,485
Misc. Income	1,322	1,922	600
Net	4,798	5,683	885

As regards Part II, which accounts for the bulk of the increase, ICAO indicates that \$214,000 is attributable to additions to the establishment, \$328,000 to in-grade salary increments (over 4 years) and the balance to increases in salary and post adjustment rates.

Universal Postal Union

6. UPU net expenditure figures are as follows:

<u>Year</u>	<u>Actual net expenditure</u>		<u>Percentage increase or</u> <u>decrease compared</u>
	<u>(Swiss francs)</u>	<u>US dollars</u>	<u>with 1964</u>
			<u>%</u>
1964	4,387,740	1,015,681	-
1965	4,385,941	1,015,264	(0.1)
1966	4,876,791	1,128,887	11.1
1967	5,607,419	1,298,014	27.8
1968	5,584,446	1,292,698	27.3

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7. The decrease in expenditure in 1965 is explained by the fact that the 1964 figures include the costs of the fifteenth Universal Postal Congress held at Vienna.
8. In 1965 and 1968, net expenditure was slightly lower than in the preceding years; but, in 1966 it was 11.19 per cent higher than in 1965, and in 1967 it was 14.98 per cent higher than in 1966. The average annual increase between 1964 and 1968 was 6.82 per cent.
9. The main factors responsible for the increase in expenditure are as follows:
- (a) Factors unconnected with the increase in activities, including:
 - (i) The increase in the cost of living in Switzerland. During the last five years, the cost of living has risen by 19 per cent; and this has had repercussions both on staff costs (the level of remuneration is now 120-125 (1964 = 100)) and on other expenditure of all kinds;
 - (ii) Assimilation of conditions of employment to those of the United Nations common system;
 - (iii) The increasing internationalization of the UPU staff.
 - (b) Intensification of UPU activities, including:
 - (iv) Increase in staff to deal with the increasing amount of work. Since 1964, the number of permanent posts has increased by 61 per cent and the total staff has increased by 78.8 per cent (including temporary and auxiliary staff);
 - (v) Publication of the international list of post offices at a cost of almost 600,000 Swiss francs (US \$139,000) in 1967 and 1968;
 - (vi) Development of vocational training activities (including the appointment of six teaching or development experts at UPU's expense).

World Health Organization

10. On the basis of approved budget estimates including supplementary estimates the growth of the WHO budget in 1966-1970 has been as follows:

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	<u>Maintenance of established staff level and other continuing requirements</u>		<u>Other items (net expansion)</u>		<u>Total</u>	
	US \$	%	US \$	%	US \$	%
1966	2,348,382	5.94	2,626,418	6.65	4,974,800	12.59
1967	1,778,177	3.99	5,815,623	13.08	7,593,800	17.07
1968	2,351,801	4.52	1,695,599	3.25	4,047,400	7.77
1969	4,157,236	7.41	1,841,464	3.28	5,998,700	10.69
1970	3,341,008	5.37	2,187,292	3.52	5,528,300	8.89

11. The unusually large increase in programme expansion in 1967 stems from the decision of the nineteenth World Health Assembly to finance the smallpox eradication programme as from that year from the regular budget of the organization (resolution WHA19.16).

International Telecommunication Union

12. ITU used its budget for 1965 in the amount of \$5,410,209 as a base. After adjustment to eliminate variations due to the programme of conferences and the programme for the publication of the service documents of the Union, the ITU indicates that increases in 1966-1970 over the 1965 base have been as follows:

(In US dollars)

	<u>Total increase</u>	<u>Cost of living</u>	<u>Increase in statutory and regulatory expenditure</u>	<u>Development of activities a/</u>	<u>Premises</u>
1966 . . .	797,396	230,000	325,000	115,000	115,000
1967 . . .	936,945	290,000	345,000	115,000 ^{b/}	185,000
1968 . . .	1,347,059	465,000	440,000	345,000 ^{b/}	95,000
1969 . . .	1,806,366	790,000	465,000	465,000 ^{b/}	95,000
1970 . . .	2,354,236	790,000	625,000	835,000 ^{b/}	95,000

a/ The ITU budget does not include a programme in the strict sense of the word; Union activities are of a permanent and mandatory nature and those of an "international public service". The sums mentioned under programme expansion therefore relate to the expansion of the regular activities of the Union.

b/ Including a reduction of \$175,000 owing to the abolition of a number of posts (six members of the International Frequency Registration Board and secretaries).

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World Meteorological Organization

13. Using actual expenditures for 1964 as a base, WMO provides the following figures:

(In US dollars)

<u>Year</u>	<u>Cost-of-living impact on salaries</u>	<u>Estimated cost-of- living impact on other costs</u>	<u>Programme increases</u>	<u>Increase in total audited expenditure</u>
	\$	\$	\$	\$
(1)	(2)	(3)	(4)	(5)
1965	54,065	12,814	268,542	335,421
1966	92,724	56,638	749,950	899,312
1967	98,111	134,780	1,089,050	1,321,941
1968	209,547	149,116	1,266,909	1,625,572
1969	383,550	220,690	1,407,439	2,011,679

NOTES

- (a) The figures for 1965-1968 are actual expenditures (not budget appropriations) and, likewise, 1969 figures are estimated "expenditures".
- (b) All figures are cumulative.
- (c) "Other costs" include supplies, equipment, travel, temporary aid, premises, hospitality and technical projects.
- (d) Cost figures quoted in columns (2), (3), (4) and (5) are combined totals of actual expenditures charged to the WMO General Fund and Technical Co-operation Fund budgets.

14. IAEA

(In thousands of US dollars)

Year	Approved budget	Total increase over budget of preceding year		Price rises		Programme increases		Other increases	
		\$	\$	%	\$	%	\$	%	\$
1965	7,938	-	-	-	-	-	-	-	-
1966 ^{b/} Supplement	8,744 240								
	8,984	1,045	13.2	549	6.9	497	6.3	-	-
1967 ^{c/} Less	9,492 -	747 240	8.5 2.7	493 240	5.5 2.7				
	9,492	507	5.8	253	2.8	126	1.5	128 ^{d/}	1.5
1968	10,477	986	10.4	372	3.9	514	5.4	100 ^{e/}	1.1
1969	11,251	774	7.4	451	4.3	323	3.1	-	-
1970	12,250	999	8.9	435	3.9	469	4.2	95 ^{f/}	0.8

For foot-notes, see following page.

- a/ Figures, extracted from budget documents and, as applicable, from documents placed before the Board of Governors, have been rounded off to the nearest thousand dollars.
- b/ The supplementary appropriation of \$240,000 was an "actual" figure and represented the budgetary deficit for 1966, which was temporarily withdrawn from the Working Capital Fund and subsequently (in 1968) collected by additional assessment on Member States.
- c/ An adjustment of \$240,000 is shown in respect of total increases and price rises (see also note b/ above).
- d/ Up to and including 1966, certain research contracts were financed from the Operational Budget on the grounds that they represented a form of technical assistance to developing countries. From 1967 onwards, all research is financed from the Regular Budget; the sum shown represents therefore neither a price rise nor a programme increase.
- e/ In order to reduce budgetary increases in 1967, the Board of Governors made two decisions which subsequently affected the budget for the succeeding year 1968:
- (i) It abolished the Publications Revolving Fund and used the balance of \$50,000 in that Fund to reduce the estimates for the publications programme; and
 - (ii) It reduced the provision for research contracts by \$50,000 on the grounds that renewals of one-year contracts awarded late in the preceding year could be deferred to 1968.
- Both these sums were re-introduced in the budget for 1968, representing neither a price rise nor a programme increase.
- f/ The sum of \$95,000 represents a transfer of \$60,000 (laboratory charges) and \$35,000 (Trieste Centre) from the Operational to the Regular Budget and is thus neither a price rise nor a programme increase.
