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## BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1970

### Grant towards extension and improvement of the physical facilities of the International School at Geneva

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

1. The Advisory Committee on Administrative and Budgetary Questions has considered a report by the Secretary-General on the subject of extension and improvement of the physical facilities of the International School at Geneva (A/C.5/1268).
2. It will be recalled that the General Assembly appropriated amounts of \$30,000 under each of the budgets for 1967, 1968 and 1969, for the purpose of making a contribution to the School's capital development fund. These amounts have been credited to a special trust fund and have not yet been released to the School.

#### Nature of the International School

3. The International School at Geneva was established in 1924 on the initiative of officials of the League of Nations, with the support of some Geneva citizens. Instruction is given in English and French, on the basis of a curriculum which at the secondary level prepares students especially for the French Baccalauréat, the Swiss Maturité, the American College Board Examination and the British General Certificate of Education. In addition, courses have been started this year in preparation for an International Baccalaureate which would qualify for university entrance in Europe and the United States.

4. The student body of the School, which has trebled in the past twelve years, amounted to 1,535 in the 1968-1969 school year. The breakdown by parental group for the past three school-years has been as follows:

<u>Parental group</u>	<u>Student body</u>					
	<u>1966-1967</u>		<u>1967-1968</u>		<u>1968-1969</u>	
	<u>Number</u>	<u>Per Cent</u>	<u>Number</u>	<u>Per Cent</u>	<u>Number</u>	<u>Per Cent</u>
Organizations in the United Nations system . . . . .	342	23.1	332	23.7	351	22.9
Other international organizations . . . . .	45	3.0	50	3.6	69	4.5
Diplomatic and consular corps . . . . .	110	7.4	89	6.4	97	6.3
Non-governmental organizations . . . . .	94	6.4	92	6.5	86	5.6
Industry, commerce and banking . . . . .	659	44.5	657	47.0	618	40.3
Professional and self-employed . . . . .	142	9.6	112	8.0	293	19.1
Not specified and other . . . . .	89	6.0	66	4.7	20	1.3
Total . . . . .	<u>1,481</u>	<u>100.0</u>	<u>1,398</u>	<u>100.0</u>	<u>1,535</u>	<u>100.0</u>

5. Within the United Nations system, the breakdown has been the following:

<u>Organization</u>	<u>1966-1967</u>		<u>1967-1968</u>		<u>1968-1969</u>	
	<u>Number</u>	<u>Per cent of total enrolment</u>	<u>Number</u>	<u>Per cent of total enrolment</u>	<u>Number</u>	<u>Per cent of total enrolment</u>
United Nations (including UNCTAD . . . . .	103	6.9	91	6.5	95	6.2
WHO . . . . .	108	7.3	121	8.7	114	7.4
ILO . . . . .	92	6.2	81	5.8	98	6.4
GATT . . . . .	19	1.3	16	1.1	8	0.5
WMO . . . . .	7	0.5	11	0.8	22	1.4
ITU . . . . .	10	0.7	10	0.7	13	0.9
FAO . . . . .	<u>3</u>	<u>0.2</u>	<u>2</u>	<u>0.1</u>	<u>1</u>	<u>0.1</u>
Total United Nations system . . . . .	<u>342</u>	<u>23.1</u>	<u>332</u>	<u>23.7</u>	<u>351</u>	<u>22.9</u>

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6. The School has been legally constituted and registered as a foundation under the Swiss Civil Code. It is operated as an independent institution and is not directly connected with the United Nations.

#### Finances of the School

7. Following deficits in the two previous years, the School achieved a small surplus (4,927 Swiss francs or \$US1,140) for the school year ended 31 August 1968. There was a further surplus of possibly 50,000 Swiss francs (\$11,575) (unaudited) for the year ended 31 August 1969, and a surplus is foreseen for the current school year. A surplus of about 340,000 Swiss francs (\$78,700) has been accumulated on capital and reserve account.

#### Physical Facilities of the School

8. The School occupies an area of about 65,000 m<sup>2</sup> (sixteen acres), of which 40,000 m<sup>2</sup> (ten acres) are leased from the Canton of Geneva and the rest are owned by the School.

9. Recently four new science classrooms were built and three other enlarged and re-equipped, at a cost of about 800,000 Swiss francs (\$185,000). This work was financed partly from reserve funds and current account (220,000 Swiss francs, or \$51,000); partly by contributions from American companies with offices in Geneva (358,000 Swiss francs, or \$83,000); and partly by contributions from individuals (220,000 Swiss francs, or \$51,000).

10. In order to provide improved and expanded facilities, the School has drawn up a construction plan, which would be carried out in phases over a six-year period at an estimated cost of about \$4,000,000. Details of the facilities that would be provided under the plan are given in the Secretary-General's report.<sup>1/</sup>

11. As for the financing of this proposed construction, the Secretary-General reports that the School authorities have held consultations with the three main interested groups in Geneva: the United Nations and the specialized agencies, a group of the larger international industrial and commercial enterprises with offices in Geneva, and the Swiss local authorities. The positions of these three groups are as follows:

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<sup>1/</sup> A/C.5/1268, para. 15.

(a) International industrial and commercial enterprises. Some of the larger units have indicated willingness to support the construction plan on a reasonably equitable basis with other groups that benefit from the School; they urge that support be sought and obtained from the international organizations, private individuals and the Swiss local authorities;

(b) The Swiss local authorities. They provide the School with its main teaching premises, most of which would be retained under the proposed construction plan. They have agreed to consider granting a long-term lease on the premises and to provide a loan at nominal interest rates up to half the cost of the plan, that is, up to about \$2 million;

(c) The United Nations and the specialized agencies. As indicated in paragraph 2 above, the General Assembly has appropriated a total of \$90,000 towards the construction plan. WHO has appropriated a total of \$75,000. These amounts have been placed in special trust funds. In response to a suggestion by the Advisory Committee in its report on the International School last year,<sup>2/</sup> the Secretary-General has had discussions with the other specialized agencies which are based in Geneva, but no further donations or pledges have yet been forthcoming.

12. According to the Secretary-General, the next step towards implementation of the construction plan would appear to be joint examination by the three groups listed above of the prospects of its financing by the most equitable means. He indicates that the General Assembly may wish to authorize him to participate in such negotiations, without any commitment at this stage as to the proportion in which the United Nations may decide to share in the total potential cost.

13. The Secretary-General raises the possibility that rather than contribute by annual instalments from the regular budget, the United Nations might utilize part of the proceeds of the sale of a commemorative stamp, designed by an artist of international repute, which might be issued in 1971.

14. In the meantime, the Secretary-General indicates that the General Assembly may consider it appropriate to contribute a further amount of \$30,000 in 1970 towards the extension and improvement of the School, to be credited in the same way as the previous appropriations, to the special trust fund.

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<sup>2/</sup> Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 74, document A/7351, para. 9.

Comments of the Advisory Committee

15. In its consideration of the Secretary-General's report, in particular the possibilities envisaged in paragraphs 12, 13 and 14 above, the Advisory Committee recalled that in past years it had not opposed modest appropriations towards the eventual extension and improvement of the International School at Geneva. Thus in 1966, when the Secretary-General first proposed a contribution of \$30,000 from the 1967 budget for this purpose, the Advisory Committee informed the Secretary-General that it was not in a position to comment on the long-term financial implications of such a procedure. In the following year, when the Secretary-General proposed a further appropriation of \$30,000, the Committee pointed out that only one of the Geneva-based international organizations, the World Health Organization, had agreed to provide financial support for the School's development plan, while about \$115,000 had been raised from other sources. The Advisory Committee expressed its concern at the slow progress made in raising funds, and agreed with the Secretary-General that, should the Assembly agree to the second appropriation of \$30,000, this amount and the \$30,000 appropriated from the 1967 budget should be credited to a special trust fund "until such time as the Governing Board of the School is in a position to give fuller information as to the progress made in obtaining contributions from other sources".<sup>3/</sup> The General Assembly concurred in this proposal.

16. In 1968, the Secretary-General suggested that the General Assembly consider approving a further grant of \$30,000 from the 1969 budget, to provide encouragement to the School and to help the Governing Board obtain longer-range pledges from other sources. On this occasion the Advisory Committee again pointed out that of the Geneva-based international organizations WHO alone had made contributions (of \$25,000 each for the three years 1967, 1968 and 1969) and indicated that "unless there is a marked improvement in the near future, the chances of extending and improving the physical facilities of the School through the current fund-raising drive will be seriously jeopardized. In these circumstances, the continued usefulness of a contribution from the United Nations regular budget became questionable".<sup>4/</sup> Nevertheless, the Committee considered

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<sup>3/</sup> Ibid., Twenty-second Session, Annexes, agenda item 74, document A/6922, para. 9.

<sup>4/</sup> Ibid., Twenty-third Session, Annexes, agenda item 74, document A/7351, para. 5.

that the newly reorganized Board and administration of the School should be given a further opportunity of instilling new vigour into the fund-raising drive, and therefore, while making clear its concern at the situation, did not oppose the further appropriation sought. At the same time, it stressed that the United Nations could not be expected to assume the main responsibility for financing the construction plan, and asked the Secretary-General, in his report on the situation to the Assembly at its twenty-fourth session, to supply details on the sources of all contributions received. Pending receipt of this information, the Committee reserved its judgement on whether any of the amounts contributed by the United Nations should be released to the School from the special trust fund.<sup>5/</sup>

17. The Advisory Committee's doubts as to United Nations participation in the construction plan have been reinforced by the information contained in the tables in paragraphs 4 and 5 above, which show that the children of United Nations Secretariat personnel have accounted in the past three years for less than 7 per cent of the School's enrolment. By contrast, the children coming from two parental groups in the private sector-industry, commerce and banking, and professional and self-employed - have accounted for between 50 and 60 per cent of the total.

18. The Committee has not been encouraged by the information contained in the Secretary-General's report on contributions towards the construction plan. While acknowledging the interest shown by the Swiss local authorities, it notes that no other Geneva-based international organizations have yet joined WHO in allocating funds for the plan. As for the international industrial and commercial enterprises with offices in Geneva, their further contribution would appear to be dependent on pledges of support from other sources.

19. In these circumstances, the Advisory Committee does not consider that much progress has been made towards the objective of laying a sound basis for the financing of the School's construction plan, the estimated cost of which is about

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<sup>5/</sup> Ibid., paras. 9 and 10.

\$4 million. However, it believes that there may yet be some hope that the negotiations, which are about to be undertaken between the School authorities and representatives of industrial and commercial enterprises in Geneva, the Swiss authorities and the international organizations, would, if vigorously pursued, yield results.

20. As for participation by the United Nations in the cost of the development programme, \$90,000 has already been set aside from the regular budget, for eventual release to the School if certain conditions are met. This is a substantial amount, particularly when viewed in the perspective provided by the tables in paragraphs 4 and 5 above.

21. Despite its reservations, and considering that the past appropriations by the General Assembly cannot be released to the School without the Assembly's specific authority, the Advisory Committee does not object to an additional appropriation of \$30,000, under the same conditions, from the budget for 1970, as suggested by the Secretary-General. It would expect, however, that the other groups interested in the continuation and development of the International School at Geneva - including especially the international industrial and commercial enterprises, the other Geneva-based international organizations (inside and outside the United Nations system), and those parents classified as professional or self-employed - will come forward in 1970 with firm promises of support.

Failing such support, the Advisory Committee is convinced that the creation of a sound financial basis for the future development of the School will be unattainable. In this connexion, the Committee calls to the attention of the General Assembly the fact that the stipulation mentioned in paragraph 15 above applies to past appropriations towards the development of the School and would also apply to the further appropriation suggested for 1970.

22. The Advisory Committee notes the suggestion by the Secretary-General that he might be authorized to participate in negotiations with a view to determining an equitable means of financing the construction plan. This suggestion involves an important point of principle since it implies that the United Nations should accept the responsibility for part of the construction costs of the School, whereas in the past only ad hoc contributions of this kind have been made.

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23. However, the Advisory Committee has noted that the Secretary-General also suggests that part of the proceeds of a special stamp issue be used as a contribution towards the construction plan of the International School at Geneva. In view of the unique opportunity offered by the issuance of such a stamp designed by an internationally famous artist, the Committee concurs in this suggestion as an exceptional measure, as indicated in paragraph 18 of its report to the Assembly on the International School in New York.<sup>6/</sup> On this basis, the General Assembly may wish to authorize the Secretary-General to participate in exploratory talks in Geneva with other potential contributors, bearing in mind the benefits derived from the School by different groups of parents.

24. The Committee understands from the representatives of the Secretary-General that the intention of the proposals for Geneva - as is also the case with the proposals made concerning the United Nations International School, New York<sup>7/</sup> - would be to obviate subventions for international schools from the United Nations regular budget in as short a time as possible.

25. Finally, the Advisory Committee trusts that the Secretary-General will report to the General Assembly at its twenty-fifth session on developments affecting the School and its planned expansion and improvement, with special emphasis on the level of contributions or pledges.

26. The Secretary-General's estimates for 1970 already contain provision under Section 12 for the appropriation of \$30,000 dealt with in paragraph 21 above. If the Assembly decides to make such an appropriation, no adjustment to the estimates will therefore be required.

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<sup>6/</sup> A/7814.

<sup>7/</sup> Ibid.