



GENERAL ASSEMBLY

Ninth session

EXPANDED PROGRAMME OF TECHNICAL ASSISTANCE FOR THE ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

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

1. The General Assembly on 23 October 1953 adopted, on a report of the Second Committee,¹ resolution 722 (VIII) reading in part as follows:

"The General Assembly,

"5. Requests the Advisory Committee on Administrative and Budgetary Questions to review as soon as possible the administrative procedures of the Technical Assistance Board and those of the participating organizations as well as their administrative expenditures so far as those are financed from the Special Account."²

2. Previously, in August 1952 and June 1953, the Advisory Committee had suggested,³ for the consideration of the General Assembly, the possibility of bringing certain joint administrative costs of the Expanded Programme under legislative review. The Committee had noted, in particular, that expenses relating to the TAB secretariat and to the offices of resident representatives were not submitted for examination to any legislative budget-approving body.⁴

3. The review has been made at the request of the General Assembly and under terms of reference laid down by that body. At the same time, however, since both the Economic and Social Council and TAC are closely associated with the request, the Advisory Committee considers it appropriate, in interpreting its mandate, to take cognizance of the relevant proceedings of the Council and its subsidiary body, no less than of those of the Second Committee,⁵ as the author of

the final text of the resolution adopted by the General Assembly.

I. REVIEW OF ADMINISTRATIVE PROCEDURES AND ADMINISTRATIVE EXPENSES

4. The comments offered in this part of the report are confined to the administrative procedures and administrative expenses of the Expanded Programme. In arriving at its conclusions, the Advisory Committee has had the benefit of testimony from the executive head or other representatives of each of the participating organizations, with the exception of the International Telecommunication Union and the World Meteorological Organization; in addition, the Committee has relied, throughout its review, on the submissions, both written and oral, of the Executive Chairman of TAB and his associates.

5. The United Nations Expanded Programme of Technical Assistance is financed by funds voluntarily contributed by the governments of members of one or more of the eight participating organizations. Such contributions are paid into a Special Account set up by the Secretary-General of the United Nations, from which annual allocations are made, under procedures authorized each year by the Economic and Social Council and the General Assembly, to the organizations rendering technical assistance.

6. Two tables are appended, of which the first gives a comparison of administrative and indirect operational costs with total costs of the Expanded Programme activities of each participating organization; the second compares the regular budgets of the participating specialized agencies with the additional amounts provided in their budgets out of Expanded Programme funds.

7. The amounts listed as "central administrative and indirect operational costs" do not represent the sole expenses incurred for the administration of the Expanded Programme. Under the guiding principles of the Council, participating organizations are expected to "ensure the fullest use of any existing facilities", and an appreciable contribution is in fact made by their regular services. In addition, requesting Governments normally assume responsibility for a substantial part of the costs of technical services with which they are provided.

8. But independently even of these supplementary contributions—which for the most part cannot readily be computed—the level of administrative expenditure

¹ See *Official Records of the General Assembly, Eighth Session, Annexes*, agenda item 27, document A/2519.

² The following abbreviations are used throughout this report:

ACC: Administrative Committee on Co-ordination

TAB: Technical Assistance Board

TAC: Technical Assistance Committee of the Economic and Social Council

UNTA: Technical Assistance Administration of the United Nations.

³ See *Official Records of the General Assembly, Seventh Session, Supplement No. 7*, document A/2157, paragraph 132; *Ibid.*, Eighth Session, document A/2403, paragraph 112.

⁴ It may also be of interest, in tracing the origin of the General Assembly's resolution, to note that TAC, when reporting during July 1953 to the Economic and Social Council, expressed the view that the Assembly might wish to request the Advisory Committee to review the administrative procedures of TAB and those of the participating organizations, and their administrative expenditures financed from the Special Account. Such advice, the report added, would be welcomed by TAC in considering the policies of the Expanded Programme (E/2497, paragraph 43). This view was endorsed by the Council in its report to the eighth session of the General Assembly (See *Official Records of the General Assembly, Eighth Session, Supplement No. 3*, document A/2430, paragraph 585).

⁵ See *Official Records of the General Assembly, Eighth Session, Second Committee*, 255th and 256th meetings.

TABLE I

Organization		Central administrative and indirect opera- tional costs	Direct project costs	Total amounts budgeted for Expanded Programme activities	Ratio of administra- tive and indirect operational costs to total costs
		(Dollars)	(Dollars)	(Dollars)	Percentage
UNTAA	1954	713,300	3,945,600	4,658,900 ^a	15.3
	1953	(1,064,700)	(4,214,900)	(5,279,600)	(20.2)
ILO	1954	340,000	1,935,200	2,275,200	14.9
	1953	(321,800)	(1,942,000)	(2,263,800)	(14.2)
FAO	1954	1,055,000	4,633,500	5,688,500	18.5
	1953	(1,166,300)	(4,880,400)	(6,046,700)	(19.3)
UNESCO	1954	384,500	2,320,000	2,704,500	14.2
	1953	(423,900)	(2,303,200)	(2,727,100)	(15.5)
ICAO	1954	109,000	756,000	865,000	12.6
	1953	(112,700)	(902,200)	(1,014,900)	(11.1)
WHO	1954	712,400	3,993,200	4,705,600 ^b	15.1
	1953	(603,400)	(3,575,400)	(4,178,800)	(14.4)
Total: Participating organ- izations					
	1954	3,314,200	17,583,500	20,897,700	15.86
	1953	(3,692,800)	(17,818,100)	(21,510,900)	(17.17)
TAB central secretariat					
	1954	416,700	—	—	—
	1953	(486,600)	—	—	—
TAB field offices					
	1954	865,300	—	—	—
	1953	(812,900)	—	—	—
Total: TAB secretariat and field offices					
	1954	1,282,000	—	22,179,700	5.78
	1953	(1,299,500)	—	(22,810,400)	(5.70)
Grand total: (Expanded Pro- gramme only)					
	1954	4,596,200	17,583,500	22,179,700	20.72
	1953	(4,992,300)	(17,818,100)	(22,810,400)	(21.89)

^a Includes WMO and ITU portions of costs.

^b Includes \$333,234 for costs of staff employed in regional offices and assigned to two or more projects. It is understood

that it is not possible to identify these staff costs with any one project, and that TAB has accepted these costs being charged direct to project costs, though, in the Committee's view, these costs appear clearly to be administrative costs.

TABLE II

Organization		Regular budget	Amounts budgeted for Expanded Programme activities	Ratio of Expanded Programme budget to regular budget
		(Dollars)	(Dollars)	Percentage
ILO	1954	6,643,887	2,275,200	34.2
	1953	(6,530,585)	(2,263,800)	(34.7)
FAO	1954	6,040,000	5,688,500	94.2
	1953	(5,250,000)	(6,046,700)	(115.2)
UNESCO	1954	8,834,662 ^a	2,704,500	30.6
	1953	(8,242,302)	(2,727,100)	(33.1)
ICAO	1954	3,200,000	865,000	27.0
	1953	(3,259,384)	(1,014,900)	(31.1)
WHO	1954	8,497,700	4,705,600	55.1
	1953	(8,485,095)	(4,178,800)	(49.2)

^a Excludes undistributed reserve of \$870,453.

appears to be unduly high. The Advisory Committee has accordingly examined the organization and the various procedures of the Programme in order to ascertain whether and, if so, to what extent they are a factor in increasing the volume of overhead expenses. It is unnecessary to emphasize the importance of keeping the administrative expenses of the Programme to a minimum. These expenses are, in general, found from funds contributed by Member States, and any expenditure needlessly incurred for administration must inevitably reduce the amount available for actual projects.

9. The existing machinery for the implementation of Expanded Programme activities comprises the following principal elements:

(1) *Central TAB level* (Total: 40 posts—15 Professional or higher category, 25 General Service)

(a) Executive Chairman and his immediate office, comprising 12 posts (4 Professional or higher category and 8 General Service). This unit provides overall supervision of the TAB secretariat, performs the functions of Secretary to the Board, maintains liaison with participating organizations and delegations, and assists the Executive Chairman in the general co-ordination of the Programme. The staff costs of this unit are of the order of \$75,360 (net).

(b) The secretariat of TAB, comprising 28 posts (11 Professional or higher category and 17 General Service) provides the housekeeping and general ad-

ministrative services, manages the TAB field offices, and advises the Executive Chairman on the development and implementation of TAB administrative and financial policies, on the organization and conduct of technical assistance programming at Headquarters and at the country level and on the financial management of the Programme, including the collection and utilization of contributions from Governments. The staff costs of this unit are of the order of \$152,715 (net).

(2) *Participating organizations level* (Total: 484 posts—182 Professional or higher category, 302 General Service)

(c) The individual technical assistance departments within the secretariats of the participating organizations performing the functions of:

(i) Assisting Governments in drawing up requests for technical assistance in their respective fields of activity;

(ii) Recruiting and assigning experts in the field and furnishing them with technical guidance and administrative support in the course of their work, and reviewing their interim and final reports for presentation to Governments;

(iii) Technical and administrative management of the Programme within the respective fields of activity.

The numbers of staff employed by participating organizations and paid out of Expanded Programme funds are:

	<i>Professional</i>	<i>General Service</i>	<i>Total</i>	<i>Staff costs</i>	<i>Other Ancillary costs</i>	<i>Total costs</i>
				\$	\$	\$
UNTAA	58 ^a	77	135	652,400	60,900	713,300
ILO	22	34	56	262,250	77,750	340,000
FAO	59	131	190	836,200	218,800	1,055,500
UNESCO	21	37	58	311,100	73,400	384,500
ICAO	5	11	16	80,700	28,300	109,000
WHO	39	95	134	515,667	196,794	712,461

^a Does not include 15 posts charged to temporary assistance, 8 posts charged direct to projects, and 19 detailed posts.

(d) The regional or zonal offices (where they exist) of participating organizations. These have a substantial role both in the day-to-day administration of the Programme in the region, and in the provision of substantive guidance and supervision of the experts in the field. These offices also negotiate with and advise recipient Governments in the preparation of individual projects.

(3) *Field level*

(e) TAB field offices (including resident representatives). The basic function of the resident representative (or liaison officer) is the provision of assistance to Governments and participating organizations in the formulation and implementation of integrated country programmes. As and when appropriate, the representative serves as a point of co-ordination with field representatives of other bilateral and multilateral programmes. Field offices also provide administrative support services necessary for the experts in the field.

The total number of staff including resident representatives (numbering 21) employed in the field offices is 141 (51 Professional or higher category and 90 General Service) costing \$641,700.

(f) The chiefs of missions (or team leaders) appointed by the individual participating organizations, and their immediate offices. These mission chiefs are responsible for the co-ordination of the work of the experts, for negotiations with Governments in the drawing-up and implementation of projects, and for ensuring that administrative support services necessary for the work of the experts are provided.

(g) The counterpart machinery and support services furnished by the recipient Governments. This machinery is intended to perform the functions of co-ordination and liaison of Expanded Programme activities with national economic development schemes, and other bilateral and multilateral programmes that may be operating in the country. In terms of Economic and Social Council resolution 222A (IX), recipient Governments are expected to "assume responsibility for a substantial part of the costs of technical services . . . at least that part which can be paid in their own currencies". The support normally consists of providing furnished office space, communication services, office supplies, local transportation, secretarial and clerical assistance necessary for the work of the experts in the field, and the appointment of professional assistance to experts for

purposes of in-service training. It is difficult to estimate the exact money equivalent of the support services provided by the recipient Governments.

10. Thus, excluding staff referred to in (g) above, a total of 665 are employed exclusively on Expanded Programme activities, at a direct cost to Expanded Programme funds of \$4,596,671. To this must be added the assistance, both substantive and technical, rendered to the Programme by the regular programme departments of participating organizations. This structure provides administrative and technical backstopping for 1,974 experts and 1,762 fellowship holders.⁶

11. The complex processes involved in the formulation of a comprehensive country programme may be considered, in broad outline, at several stages:

(a) At the country level, where individual experts work with the interested technical officials of the government department concerned to draw up individual projects. Normally, at this stage the individual experts have the advice of the substantive departments (or regional offices) of the respective participating organization;

(b) The individual projects are then considered by the co-ordinating machinery established by most recipient Governments to mould them into a single programme fully integrated with any bilateral or multilateral programmes already in operation and into any plans for national economic development at this stage. The resident representative takes part in these discussions;

(c) The programme so developed is then submitted to the participating organizations and to the secretariat of TAB. The participating organizations examine such portions of the programme as fall within their spheres of activity, for technical soundness and balance in relation to their activities in the region as a whole. They also include it in their regular budget presentation to their respective governing organs. The secretariat of TAB studies the programme as a whole from the point of view of availability of funds and geographical distribution;

(d) The Executive Chairman submits the programme to TAB for its formal approval, with his recommendations.

12. The Advisory Committee notes that this complex machinery for the implementation of the Programme is so designed as to place emphasis on persuasion and co-operation among the participating organizations in addition to central direction and control. For the purpose of determining the efficiency of these arrangements, the Committee invited the views of the Executive Chairman and of representatives of participating organizations specifically on the following points:

(a) How co-ordination is achieved at each of the three levels, namely, at the field level, at the participating organization level, and at the central TAB level;

(b) The extent to which Expanded Programme activities are integrated with regular programme activities of participating organizations.

These processes of co-ordination and integration are not, of course, the only possible factors of economy and efficiency, and in part II of the present report, the Advisory Committee refers to certain other solutions that are related to constitutional issues.

Resident representatives

13. The system of resident representatives plays an important part in securing co-ordination at the field or country level. While resident representatives are normally appointed by the Executive Chairman of TAB only at the request of recipient Governments and after consultation with participating organizations, such representatives are in fact now serving in most countries having a programme of any appreciable size. Their responsibilities are broadly the following: to assist Governments and participating organizations in formulating and executing country programmes; to co-ordinate and assist the work of experts in the field through the provision of administrative and support services; to maintain liaison with the government departments and agencies responsible for the programme; and to co-ordinate Expanded Programme activities with national, bilateral or multilateral programmes. With the shift in responsibility for programming to the country level, the importance of the representatives' role has been greatly enhanced, inasmuch as country programmes are now fully worked out in the field, with due regard to the country's immediate needs and in concert with interested agency experts, and are co-ordinated with other schemes in operation in the country.

14. Evidence presented to the Advisory Committee shows that participating organizations avail themselves of the services of resident representatives in varying degrees. With one exception, these organizations have expressed the view that since the resident representatives are normally not qualified in any of the highly specialized spheres of the Expanded Programme, their usefulness is limited to the provision of administrative support to experts in the field and to the function of liaison with recipient Governments at the ministerial level; and that while their responsibilities have increased with the changing emphasis in country programming, their role in this regard can be of only limited scope; they can help in formulating the comprehensive country programme in accordance with the policy and the budgetary level set by TAB, but individual projects still need to be worked out by the experts themselves in association with the competent government officials and with the area officers at the headquarters of participating organizations. Several organizations use their regional or zonal offices for assisting Governments in the drawing up of project requests and for supervising the progress of work in the field; others again depend on chiefs of missions or team-leaders for these purposes. Where resident representatives are not serving, reliance has to be placed on the individual chiefs of missions or on the regional offices, or finally on a system of control from the headquarters of the organization, based on periodic progress reports of the experts.

15. It appears to the Committee that the dual system resulting from the use of resident representatives side by side with agency regional representatives involves much overlapping and proliferation of staff. In a large measure, the negotiations undertaken with individual Governments are of an administrative character and should be well within the scope of the duties of a resident representative, leaving the functions of agency representatives to be confined to purely technical advice.

16. The Advisory Committee is satisfied that, particularly with the shift of emphasis to programming at the country level, resident representatives can per-

⁶ These are the approved figures for the 1954 programme.

form a useful function. But, in the Committee's opinion, participating organizations do not make adequate use of the representatives' services. It considers that an appreciable economy without loss of efficiency would be achieved if:

(a) Participating organizations made full use of the resident representatives in all negotiations with recipient Governments and in co-ordinating the activities of experts in the field.

(b) Participating organizations dispensed with chiefs of missions (or team-leaders) where the functions performed by such officials are principally of an administrative and co-ordinative nature;

(c) All administrative and support services required in the field (including payments of subsistence allowances to experts) were centralized in the office of the resident representative and brought under his control.

17. The Committee notes that the arrangements for co-ordination at the participating organization level—the second of the three stages referred to above—provide for a system of area or liaison officers at the organization headquarters. These officers are technical experts in their own right and are charged with keeping close touch with the day-to-day operations in the field and with advising or guiding experts in their work. The scrutiny of the Expanded Programme portion of the budgets of the participating organizations is performed by the respective governing organs in the same manner as the scrutiny of budgets for regular programmes.

18. Finally, as regards the machinery at the TAB level, the Board considers the Programme as a whole to ensure an equitable geographical distribution, and gives its formal approval. It approves requests from participating organizations for allotments from funds not automatically distributed under the over-all percentages decided on by TAC and the Economic and Social Council. It is also responsible for guidance to participating organizations on the basis of policy directives issued by TAC and the Council.

Integration of Expanded Programme activities with regular programme activities

19. As regards the integration of Expanded Programme activities with regular programme activities, the evidence presented to the Advisory Committee establishes that the extent of such integration varies from one participating organization to another. This variation is due, it was represented, to the differences between one organization and another in the extent to which their regular activities are more or less operational in character. The Committee is, however, disturbed to note that the participating organizations, with few exceptions, tend to the view that Expanded Programme activities should "pay their way". Thus, the majority of the organizations appear to have set up separate technical assistance departments to deal with Expanded Programme activities. While some additional staff is necessary to deal with the increase in workload arising out of such activities, acceptance of the theory of Expanded Programme activities "paying their way" would, in the Committee's opinion, undermine the very basis of the Programme, namely, that the largest possible proportion of available funds should be devoted to operational, as distinct from administrative, costs. It is to secure this object that the Council in resolution 222A (IX) laid down the principles that

"the work undertaken by the participating organizations under the Expanded Technical Assistance Programme should be such as to be suitable for integration with their normal work" and "within the wide range of activities envisaged, the participating organizations should practise . . . concentration of effort and economy [and] . . . ensure the fullest use of any existing facilities".

Administrative and indirect operational costs

20. The Advisory Committee has examined in this connexion:

(a) The present division of Expanded Programme costs into three categories: (i) central administrative costs; (ii) indirect operational costs; (iii) direct project costs; and

(b) Whether it is practicable to limit administrative costs to a fixed proportion of total Programme costs.

21. As regards point (a), the Committee feels that the present distinction between central administrative and indirect operational costs is largely artificial, and that it encourages a tendency to class as an indirect operational cost any item of expenditure that is not purely administrative or that cannot be identified with a project. For example, expenditure incurred for the briefing of experts is currently classified as indirect operational on the ground that it cannot be regarded as a purely administrative item or be identified with any single project. It is, however, the Committee's view that, inasmuch as the briefing of an expert is designed to enhance his working efficiency in the field, such a service is similar in nature to the provision in the field of transport or secretarial services for the use of an expert, which, as being non-technical, is treated as an administrative cost. Among other items charged to indirect operational costs, note may be taken of the considerable number of posts established at the headquarters of participating organizations for the performance of ancillary work on behalf of experts in the field or of recipient Governments. Such posts include, for example, those of editors of documents and official records, library personnel, and translators, which, it is suggested, are in reality administrative in nature and should be so classified. The Committee further notes that in certain cases costs of purely administrative support staff, such as chauffeurs, secretaries and interpreters, are included in project costs, a practice which has the effect of distorting the ratio of administrative costs to project costs. Unless such services are essential to the success of the project, and for that reason can be classified as purely operational in nature, their cost should, it is suggested, be entered as an administrative cost.

22. Where point (b) is concerned, the Committee appreciates the force of the argument that to impose a ceiling on administrative costs is to disregard the fact that projects require administrative support to a varying extent. Thus, while a project for establishing a steel-rolling plant calls for little administrative support, considerable support would be needed for a project such as the establishment and operation of a public administration centre. The Committee is nevertheless of the opinion that, for a programme of the size now under review, a proportion of less than 12 per cent for administrative costs could be regarded as reasonable, as compared with an actual proportion, based on the 1954 budget figures, of 20.72 per cent. As indicated in the first of the tables appended to paragraph 6

above, this figure is made up of two elements: (a) costs of TAB (central secretariat and field offices)—\$1,282,000, representing 5.78 per cent of the total cost of the Expanded Programme (\$22,179,700); and (b) administrative costs of the eight participating organizations—\$3,314,200, representing 15.86 per cent of their total programme costs (\$20,897,700). In view, however, of the fact that a reduction, if applied within a twelve-month period to the Programme as a whole (including TAB), might prove an unduly abrupt transition and impair its operations, the Committee recommends that, as a first step, efforts should be made to reduce the level of administrative costs by the end of 1955 to 12 to 14 per cent in the case of the participating organizations and to 5 per cent in the case of TAB. In making this recommendation, the Committee has in mind (a) the considerable assistance, both substantive and administrative, rendered without charge to the Expanded Programme by regular departments of participating organizations; and (b) the large volume of support services provided by Governments receiving assistance under the Programme.⁷ Where TAB is concerned, the Committee takes account of the probability that, under the revised organization of the United Nations Secretariat, a larger measure of assistance will be given by the substantive departments, as well as of the fact that reductions are possible, in its opinion, in the number and classification of posts in the TAB secretariat at Headquarters, in the classification of certain of the posts of resident representatives and in the provision for official travel.

Central direction of the Programme

23. The Advisory Committee has also examined the question of centralization of administrative services—whether a fully centralized administration of the Expanded Programme would be administratively more efficient and economical than the existing structure. Although, in the abstract, a strong and fully centralized administration of the Programme, as a whole, would doubtless make for an efficient operation, such a course would postulate the consolidation of existing organizations or the creation of a new international agency adequately equipped with both the administrative and technical staff necessary to exercise a strong central direction. Irrespective of the constitutional considerations, the Committee feels that, at the present time, the increased cost of a measure of that kind, coupled with the fact that it would tend to duplicate services and skills already available in the participating organizations, argues against its adoption. It seems indeed that the Council had regard to these very factors in establishing the Programme as a United Nations programme in which the specialized agencies participate, and in calling for (a) the maximum integration with regular activities of the participating organizations; and (b) the maximum use of existing facilities. Accordingly, the Advisory Committee has suggested, in paragraph 54 below, an improved procedure within the present framework.

Central administration of local costs

24. As part of the problem of centralization of administrative services, the Advisory Committee has also given attention to the proposed central administra-

tion of the "local costs" plan. The "local costs" referred to under this plan represent the payments made by recipient Governments towards the subsistence costs of experts. Prior to 1 January 1954, recipient Governments, under the terms of the agreements for furnishing technical assistance, met costs arising in the field for the provision of lodging for experts either in cash or in kind, while the participating organizations paid the difference between "lodging costs" defrayed by Governments and the full subsistence entitlements of the experts. In view, however, of the disadvantages of a system of dual payments, a system has been introduced, since 1 January 1954, under which participating organizations assume full responsibility for the payment of all subsistence entitlements of experts, while recipient Governments make lump sum payments, in advance, to TAB towards their share of these expenses.

25. The Committee agrees that the central collection from Governments of local costs payments was an advantageous step. It has some doubts, however, as to the wisdom of a scheme under which centralization would be confined to the payment of subsistence allowances, while concurrently the participating organizations would retain the existing machinery for the payment of the experts' salaries. The Committee understands that, at its session in May 1954, TAB gave careful consideration to the administrative advantages that are anticipated from such a centralization, and decided in favour of the scheme. The Committee therefore refrains from making any specific recommendations in the matter at this stage, and would prefer to review the situation at a later date after experience has been gained of the working of scheme and an assessment of the resulting administrative economies is possible.

Administrative divergence between the Expanded Programme and regular programmes

26. On the question of the administrative and financial regulations established for Expanded Programme activities, it is the view of the Advisory Committee that the existence of differences between the TAB regulations, on the one hand, and the regulations adopted by the participating organizations for their normal activities, on the other, has contributed to avoidable expenditure and administrative confusion.

27. It is open to question whether it would not have been wiser, at least in the early years of the Programme, to follow the regulations and rules laid down by the United Nations for its normal activities and to draw up such special regulations as were required for Expanded Programme activities only after sufficient experience had been gained.

28. The Committee further suggests that, to the extent that divergencies in regulations between regular programmes and the Expanded Programme are attributable to provisions in the basic resolutions, it is incumbent upon the Executive Chairman of TAB to bring such provisions to the notice of the Economic and Social Council and of the General Assembly.

Currency problems

29. The Executive Chairman of TAB and the representatives of participating organizations, in their testimony before the Advisory Committee, attributed

⁷ UNTAA, for example, estimates that, in relation to its total project costs of \$4,036,600, the value of support services provided by recipient Governments in 1953 was \$1,700,000.

certain of their difficulties, as well as an increase in administrative costs, to (a) the multitude of currencies in which contributions are paid by Governments; and (b) the fact that the majority of the currencies are either non-convertible or of limited convertibility, or that in certain cases restrictive conditions are imposed on the use of contributions. They further claimed that uncertainties connected with the financing of the Programme, and the difficulty of immediately adjusting administrative staff to fluctuations in available funds, were contributory factors in this situation.

30. As regards points (a) and (b), the Committee recognizes that, apart from the additional expense of currency management and clearing-house arrangements, the factor of convertibility may adversely affect the cost of individual projects, by reason, for example, of higher travel expenses for experts and of the higher cost of freight and equipment. The Committee notes, however, that at its seventeenth session the Economic and Social Council adopted resolution 521 A (XVII) of 5 April 1954 in which it recommends to the General Assembly that the Special Reserve Fund should be increased in size and reconstituted as a Working Capital and Reserve Fund to be used, among other purposes, for improving and facilitating currency management. The General Assembly's approval of this recommendation would contribute towards reducing and ultimately eliminating the difficulties in question.

31. In so far as the other factors mentioned in paragraph 29 are concerned, the Committee appreciates that it is not always practicable for participating organizations to increase or reduce staff in exact proportion to the increase or decrease in the funds allocated for Expanded Programme activities, that attempts rigidly to follow fluctuations in amounts available would merely produce administrative waste, and that, irrespective of the size of the Programme, a minimum administrative staff has to be maintained. These difficulties are, however, present in the administration of any programme, and the Advisory Committee is not convinced that they afford adequate justification for the present high level of administrative costs.

Sessions of TAB

32. Attention may also be drawn to the frequency of the sessions of TAB and its various working parties, since the Advisory Committee is not satisfied of the necessity for the holding, for example, during 1953 of as many as five sessions of the Board. The pattern of such sessions during the years 1952 and 1953 and, to date, during 1954 is illustrated in the following table:

Sessions of Technical Assistance Board

	<i>New York</i>	<i>Geneva</i>	<i>Paris</i>	<i>Total</i>
1952	3	2	1	6
1953	2	2	1	5
1954 (to 15 June)	1	1		2

Apart from the travel and subsistence costs incurred by representatives of participating organizations, the frequent and/or prolonged absence from their headquarters of senior officials attending such sessions tends to inflate administrative costs, and, as indicated in the 1954 TAB estimates, to necessitate an increased staffing of its secretariat. On the basis of the evidence presented, the Committee suggests that, so long as the present organization is maintained, two sessions of

TAB and its working parties should normally be sufficient in each year.

Inter-agency bodies dealing with Expanded Programme matters

33. The Advisory Committee also takes note of the fact that there are now three bodies composed of representatives of the United Nations and the specialized agencies which consider various aspects of Expanded Programme activities, namely, ACC, the Consultative Committee on Administrative Questions and TAB. The Consultative Committee, a subsidiary body of ACC, is presided over by the Director of Finance or the Director of Personnel of the United Nations. ACC is presided over by the Secretary-General of the United Nations, while TAB is presided over by its Executive Chairman and includes the Secretary-General, or his representative, as one of the members of the Board.

34. While in the early days of the Expanded Programme it was perhaps advantageous to have a separate inter-agency body such as TAB to concern itself exclusively with technical assistance matters, the justification for the continued existence of as many as three high-level inter-agency bodies, each of which considers technical assistance matters, now appears tenuous.

Appraisal of programmes

35. The Advisory Committee has also studied the method of appraising the effectiveness of technical assistance activities. It is a responsibility of TAC "to make for the Council critical examinations of activities undertaken and results achieved under the Expanded Programme", while that of the Executive Chairman of TAB is to appraise "the effectiveness of the activities of the participating organizations financed from the Special Account and the results achieved".

36. During 1953, TAC requested of TAB suggestions regarding the best methods of making such appraisals (E/2497, paragraph 33), and the report accordingly submitted (E/TAC/41) for consideration at the Council's eighteenth session (June-July 1954) sets forth the several steps in the process of appraisal. These are:

(a) Appraisal of individual projects, intended (i) to improve existing projects; (ii) to afford guidance in the reshaping of the objectives of existing projects or in the selection of new projects; and (iii) to measure the success achieved by projects;

(b) Appraisal of country programmes, intended to assess the impact of a given programme on the overall economic and social development of the recipient country, and subsidiarily to ensure that programmes comprise projects of the highest priority and that they accord with wider national plans or other international programmes for economic development; and

(c) Over-all appraisal of the Expanded Programme, intended (i) to determine how far its objectives are progressively being achieved; (ii) to assure contributing Governments of the advantageous use of funds; and (iii) to afford general guidance to TAB and the participating organizations.

37. The report recognizes the importance of the machinery of review instituted by recipient Governments as a necessary counterpart to appraisals undertaken by participating organizations or by TAB. It is

indeed, in the Advisory Committee's opinion, both an interest and the primary responsibility of such Governments to determine for themselves the efficacy of technical assistance programmes; they are best placed to measure the success of any particular project with reference to their own economies and to appraise the work done under the Expanded Programme in relation to parallel activities under other programmes, national or international. The Committee concurs also in the view expressed by TAB that "an elaborate and costly system of project evaluation would not be justified in relation to the possible benefits to be derived" (E/TAC/41, paragraph 8), and it considers that the responsibility of the Executive Chairman of TAB should be confined to studying how far TAB commitments under the various agreements with recipient Governments have been met.

38. In this connexion, it is expected that, under the plans for a re-organization of the United Nations Secretariat, a larger measure of assistance in this work will be rendered to TAB by the Departments of Economic Affairs and Social Affairs. The Advisory Committee considers that these departments, when unified, should be able to make such appraisals (within the limitations indicated above) as part of their regular duties. In view of the acknowledged difficulty of making a scientific appraisal of programmes—only certain projects lending themselves to an exact measurement in terms of concrete results—the amount of work devoted to that purpose should be strictly limited.

Administrative co-ordination with other programmes

39. Finally, the Advisory Committee has also studied the question of administrative co-ordination between the Expanded Programme, on the one hand, and regular or extra-budgetary programmes on the other. Although much remains to be done in this field, the question does not appear to call for detailed treatment in the present report. Such a co-ordination is implicit in the guiding principles of the Economic and Social Council relating to co-ordination of effort, and has, more generally, been the subject of repeated and extensive discussion in the General Assembly of the United Nations. Furthermore, the offices of resident representatives, on which observations have been offered in earlier paragraphs, are the most important of the possible areas of administrative co-ordination.

40. Where other extra-budgetary programmes are concerned, there is ample scope for eliminating administrative overlapping, and the Committee notes with interest that progress has already been made in negotiations undertaken for this purpose between TAB and the United Nations Children's Fund (UNICEF). Specifically, it understands that UNICEF would in principle agree to a consolidation of functions in areas where resident representatives and UNICEF representatives are stationed, and would generally be willing to consider the possible amalgamation of any given UNICEF post with a technical assistance post. The Committee urges that similar negotiations embracing all aspects of the concentration of resources should be entered into with the United Nations Relief and Works Agency for Palestine Refugees in the Near East and other agencies.

II. GENERAL CONSIDERATIONS

41. In part I of the present report the Advisory Committee deals with the details of the existing ad-

ministrative arrangements. The comments in part II have reference to certain constitutional issues which have been the subject of decision by sovereign political bodies. The Committee therefore wishes to make it clear that such comments are prompted solely by considerations of administrative efficiency. The general policies governing the Expanded Programme and the substance of projects and programmes financed from the Special Account are, strictly speaking, outside the terms of reference of the present enquiry. The Committee feels, however, that the objectives of the review it has been asked to undertake would not properly be fulfilled if it refrained from drawing attention to policy decisions of the General Assembly or of the Economic and Social Council which have given rise to administrative difficulties or have served to increase unduly the administrative expenses of the Expanded Programme. Nor would it be doing its duty if it refrained from indicating possible remedies for such a situation.

42. The inherent difficulties of an administrative order to which the Committee has given attention fall into two main categories, of which the first comprises difficulties that arise out of the original decision reached by the framers of the United Nations Charter. The situation of fact in respect of these decisions is too well known to call for detailed elaboration. The report of Commission II of the San Francisco Conference on International Organization explicitly stipulated that the provisions for agreement between the United Nations and any specialized organization should not deprive the latter of responsibilities in its own field as defined in its basic instrument. Yet that report also included a no less explicit recommendation that such agreements should be sufficiently flexible to enable satisfactory arrangements to be worked out on the basis of need and experience. Furthermore, Commission II was instrumental in raising the Economic and Social Council to the status of a principal organ of the United Nations which, though not granted authority directly to modify agency programmes or budgets, was intended to exercise a large co-ordinative power. To the extent, therefore, that machinery is available for the correction of structural weaknesses, related administrative defects may also be susceptible of correction. Indeed, in resolutions 50 (I), 124 (II) and 309 (IV), the General Assembly has shown its concern that the provisions of the agreements concluded between the United Nations and the specialized agencies should correspond to actual requirements, and that, in other words, those agreements should confer upon the United Nations the leadership in co-ordinating activities in the economic and social fields, in accordance with Chapter IX of the Charter.

43. The second category comprises difficulties attributable to decisions which, though conditioned in certain cases by the constitutional provisions of the Charter, pertain specifically to the Expanded Programme. These difficulties were illustrated in a report (E/2161) issued by ACC in December 1951, which, after pointing out that (a) no new international organization was set up by the Economic and Social Council to administer the Expanded Programme; and (b) the Council, in lieu of placing the whole of the responsibility on any existing international body, divided it among six international organizations, each charged with carrying out an appropriate segment of the task, goes on:

"During the short period of its existence, TAB has been faced with an extremely complex and difficult task. A great new programme has had to be launched, as it were, from six different shipyards, each with its own traditions and techniques, its own designers, yardmasters, and ultimate directing authorities."

The Advisory Committee recognizes, of course, that the situation existing at the end of 1951, when the Expanded Programme was still at a formative stage, is not identical with the situation of today. An appreciable improvement took place during the succeeding financial periods, 1952 and 1953, due perhaps in part to increasing experience and in part to amendments of the basic 1949 resolution of the Council providing, among other things, that the deliberations of the Board should be subject to majority agreement in place of the rule of unanimity which had been in force during the first two years. Yet the cardinal fact remains that the responsibility for the Programme continues to be dispersed among a number of international organizations, and that administrative arrangements and administrative procedures continue to be governed by factors which, as it seems, have less to do with the exigencies of the Programme than with the constitutional relationship between those organizations. In this situation the co-ordinating power of the Council cannot be fully exercised in the manner contemplated in the guiding principles of the Expanded Programme.

44. The Expanded Programme was set up under Economic and Social Council resolution 180 (VIII), which requested the Secretary-General of the United Nations "in consultation with the executive heads of the interested specialized agencies through the Administrative Committee on Co-ordination . . . to prepare a report for the ninth session of the Council setting forth:

"1. A comprehensive plan for an expanded co-operative programme of technical assistance for economic development through the United Nations and its specialized agencies, paying due attention to questions of a social nature which directly condition economic development;

"2. Methods of financing such a programme including special budgets; and

"3. Ways of co-ordinating the planning and execution of the programme".

45. It appears implicit both in the substance and the phrasing of the above request that it was the aim of the Council that the programme of technical assistance should be primarily a United Nations activity, though relying heavily on the co-operation of interested specialized agencies. Thus, the report was to be submitted by the Secretary-General of the United Nations; his consultation with the executive heads of agencies was to take place through the medium of ACC, in which body the "leadership of the Secretary-General" had been expressly recognized by the Council at the time of its establishment (resolution 13 (III)).

46. The report actually submitted to the Economic and Social Council (E/1327/Add.1) was described in the introductory note as "a co-operative product of the secretariats of the United Nations organizations". It was in two parts: the first, which represented a text agreed to by these secretariats of all the organizations

concerned, set out the objectives and the nature of the programme, the fields of work covered and the proposed financial arrangements. The second part was subdivided into chapters setting forth, not under the responsibility of the Secretary-General of the United Nations but individually and independently under that of the executive head of each interested organization, proposals for technical assistance activities to be undertaken by the United Nations and five specialized agencies.

47. The report thus departed materially from the conception of a United Nations activity as contemplated in resolution 180 (VIII). Similarly, the proposals on methods of financing the programme, though formally submitted by the Secretary-General, did not represent his considered opinion but a compromise arrangement reflecting the largest measure of possible agreement among the executive heads of the interested organizations.

48. Technical assistance as such did not have its origin in the Expanded Programme of 1949. Almost all the specialized agencies had rendered such assistance prior to that date. Thus, even before the Second World War, the International Labour Office had in many cases provided technical assistance to Governments while, in addition, the League of Nations had undertaken similar work through the agency of the Health Committee, the Economic and Financial Committees, the Committee on Intellectual Co-operation and other bodies. A later parallel may be found in the work of UNRRA, and as regards the post-war period, interest in the promotion of such activities was one of the principal reasons for the establishment of certain of the specialized agencies. Similarly, in the case of the United Nations, a series of technical assistance programmes was initiated during that period by the Economic and Social Council and approved by the General Assembly in resolutions 52 (I), 58 (I) and 200 (III).

49. Nevertheless, it seems equally appropriate to keep in mind the important point that the Expanded Programme was conceived not as a mere grouping together of fragmentary activities previously undertaken, but rather as a new approach to technical assistance based on the principles of the United Nations Charter. The Programme was established by the General Assembly on the recommendation of the Council as a United Nations programme; custody of the moneys of the Special Account is a responsibility of the United Nations; and although TAB has been established as an inter-secretariat body to afford representation to participating organizations, it is intended to operate under principles laid down by the United Nations through the Economic and Social Council. Even though this clear line of authority was somewhat blurred in the 1952 modifications of the TAB structure, when—as it seems to the Advisory Committee—insufficient attention was paid to the relationship between the Secretary-General of the United Nations and the Executive Chairman of TAB, the basic principle remains unimpaired.

50. The Committee suggests moreover that if, because of the existing constitutional situation, efforts at a substantial administrative economy must necessarily be directed at this stage towards securing the maximum integration with regular activities and the maximum use of existing facilities, the possibility

should not be overlooked of taking action, in terms of Chapter IX of the Charter, to emphasize the overriding importance in the economic and social fields which the Governments of Members attach to problems of economic development in general and to Expanded Programme activities in particular. Subordinate to these issues, yet not without high importance, is the relationship between TAB and the participating organizations, which must be viewed in the light of the constitutional revision of the Board approved in 1952, and with reference to the above premises.

51. The Advisory Committee has reached the conclusion that, as at present constituted, the Board is not in a position either to exercise such a direction or, as a corollary, to ensure the original objective of a balanced, integrated, and flexible programme of technical assistance. Indeed, while it is true that the revision of 1952 served to remove some of the disabilities under which TAB had previously been required to function (and foremost among these must be cited the rule of unanimity), it appears also to have served to create other obstacles. In the first place, the administration of the Expanded Programme by a representative board is unsatisfactory from a constitutional point of view and, since it is not desirable on administrative and financial grounds that TAB should be in continuous session, presents great practical difficulty. Secondly, the Committee feels that the formal relationship of the Executive Chairman to the Secretary-General of the United Nations is both ambiguous and equivocal. Appointed, in accordance with the revised procedure of 1952, by the Secretary-General, who himself exercises important functions under the Programme—for example, as the custodian of moneys contributed to the Special Account—the Executive Chairman, acting in his own capacity as well as on behalf of the Board, has power (by the fact of appointment) over the Secretary-General. For the latter, in the capacity of executive head of a participating organization (UNTAA), comes under the authority of TAB and of its Executive Chairman in a number of important respects. Thirdly, the authority of the Executive Chairman in relation to the participating organizations, as exercised in practice, is not clear. Points (a), (b) and (c) of his terms of reference, as approved in Economic and Social Council resolution 222 (IX), amended by Council resolution 433 A (XIV), provide for his performing the following, among other, functions:

“To examine programme proposals submitted by participating organizations . . . ;

“To make such recommendations to TAB as he may deem appropriate with respect to all programme proposals or projects . . . ;

“After approval of programme proposals or projects by the Board, to earmark the necessary funds, and as projects become final, to allocate funds without further reference to the Board.”

But, despite these powers, the budgetary control of the Expanded Programme as exercised by TAB is more apparent than real. Even where estimates for the following year's programme are presented in detail to the appropriating authority of a participating organization,⁸ they are, in view of the date of presentation, purely tentative in character, and any review that is

attempted must of necessity be based solely on a notional figure subject to later adjustment. A detailed review linked to an actual figure of anticipated contributions is possible only towards the end of the financial year. It does not, however, appear to the Advisory Committee that TAB is equipped to undertake such a review, involving eight participating organizations, in other than a perfunctory manner. This conclusion is in no sense a criticism of the Headquarters office of the Executive Chairman; the Committee on the contrary is aware of the successful efforts made by TAB, on the proposal of its Executive Chairman, to achieve a substantial reduction, by comparison with 1953, in the 1954 level of administrative and indirect operational costs.

52. As indicated previously, there are pending, at the date of the present report, before the Economic and Social Council and the General Assembly, a number of decisions directly connected with the Expanded Programme. Closely bound up with such decisions are certain proposals which the Secretary-General will shortly submit in respect of the organization of the Secretariat of the United Nations, and which have been foreshadowed in his statement of 30 March 1954 to the Economic and Social Council (E/2598, annex), in which reference is made to a closer co-ordination between the work of a unified Department of Economic and Social Affairs and that of the Technical Assistance Administration, as well as in a note by the Secretary-General to the Council (E/2598), in which it is proposed that the purposes of the Expanded Programme, as an overriding objective of the total economic and social programme of the United Nations, shall constitute “the guiding principle in the elaboration of the programmes and projects within the Secretariat directly concerned with or necessary for the achievement of that objective”.

53. After examination of all the relevant factors, the Committee sees no escape from the conclusion that the present unduly high level of administrative expenditure of the Expanded Programme, with its attendant duplication of effort and other administrative weaknesses to which the Committee has drawn attention, must be ascribed mainly to the existing inconsistencies of direction described above.

54. The Advisory Committee believes that an effective co-ordination of the Programme can be achieved only if a clear and direct line of authority runs from the Secretary-General of the United Nations through whatever Secretariat unit he may require to carry out instructions issued by him in accordance with the directives of the Economic and Social Council and subject to the overriding authority of the General Assembly. In view of the fact that the authority to be exercised will be mostly co-ordinative and administrative in character, it seems appropriate that the Secretary-General should act, for this purpose, in the capacity of Chairman of ACC, and exercise the powers of leadership assigned to him by the Economic and

⁸ As regards UNTAA, the General Assembly confines its review to the administrative expenditure proposed for the UNTAA programme and to that part of the operational programme which is financed out of a direct grant-in-aid from the United Nations budget. The regular budget document contains virtually no information on the operational part of the Expanded Programme executed by UNTAA.

Social Council in resolution 13 (III).⁹ In that event, ACC under the leadership of the Secretary-General would become directly responsible for the conduct of the Expanded Programme (with the present voting procedures of TAB maintained), assisted perhaps by a subsidiary advisory body, while the Secretariat unit would be under the direct authority of the Secretary-General.

III. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

55. Part I of the present report deals with the administrative expenses and existing administrative procedures of the Expanded Programme; part II consists of an analysis of administrative weaknesses in the Programme which, in the opinion of the Advisory Committee, may be attributed to factors of a constitutional nature. The Committee presents in the following paragraphs a summary of its conclusions and recommendations on the principal matters considered in the course of the inquiry.

Matters reviewed in part I

(a) The dual system resulting from the use of resident representatives side by side with agency regional representatives involves an overlapping of functions. An appreciable economy without loss of efficiency is possible if participating organizations make full use of the representatives' services and dispense with chiefs of missions charged primarily with administrative duties (paragraphs 13 to 16).

(b) In view of the ratio of Expanded Programme funds to regular expenditure, full use should be made of existing administrative facilities in promoting the objectives of the Programme. In lieu of the concept of Expanded Programme activities "paying their way", the question to be determined is: what is the minimum addition to existing services which the execution of the Programme calls for? (paragraph 19).

(c) The present distinction between "administrative" and "indirect operational" costs should be removed, all costs not of a direct operational character being classified as administrative costs (paragraph 21).

(d) In view of the substantial contributions which recipient Governments make in the form of administrative support services, efforts should be made to reduce the level of administrative costs (including those at present classified as indirect operational costs) by the end of 1955: (i) in the case of the participating organizations to 12 to 14 per cent of total programme costs; (ii) in the case of TAB to 5 per cent of the total cost of the Expanded Programme (paragraph 22).

(e) By reason of the constitutional situation of fact, a radical change in the organizational structure of the

Programme cannot at present be recommended. Economy should therefore be pursued through measures designed to yield the utmost advantage broadly within the existing structure. Such measures include the maximum integration with regular activities and the maximum use of existing facilities (paragraphs 23 and 50).

(f) The Committee doubts the wisdom of the proposed centralization of local costs payments. The system should be reviewed at a later date in the light of actual experience (paragraphs 24 and 25).

(g) The existence of differences between the TAB regulations and the regulations adopted for the normal activities of participating organizations has contributed to administrative confusion and avoidable expenditure (paragraphs 26 to 28).

(h) The recommended increase in the Special Reserve Fund and its reconstitution as a Working Capital and Reserve Fund should, if approved by the General Assembly, contribute towards eliminating currency difficulties (paragraphs 29 and 30).

(i) It is suggested that, so long as the present organization is maintained, two sessions of TAB in each year should normally be sufficient (paragraph 32).

(j) The existence of as many as three high-level inter-agency bodies, each of which considers technical assistance matters, seems no longer justified (paragraphs 33 and 34).

(k) As regards the appraisal of programmes, the Committee considers that (i) the amount of time devoted by the TAB secretariat or substantive departments of the United Nations Secretariat to this task should be strictly limited, and costly processes avoided; and (ii) the primary responsibility for determining the effectiveness of programmes rests with the recipient Governments (paragraphs 35 to 38).

(l) On the question of administrative co-ordination with other programmes, ample scope exists for eliminating overlapping at the administrative level. Negotiations similar to those already initiated between TAB and UNICEF, with a view to the possible consolidation of functions and posts, might usefully be extended to other extra-budgetary agencies and should embrace all aspects of the concentration of resources (paragraphs 39 and 40).

Matters referred to in part II

(a) It was the aim of the Economic and Social Council in 1949 that the programme of technical assistance should be primarily a United Nations activity though relying heavily on the co-operation of interested specialized agencies. The Expanded Programme was not intended as a mere amalgam of fragmentary activities, but as a new approach to technical assistance based on the principles of the Charter (paragraphs 45 to 49).

(b) The absence of a stringent budgetary control is noted, and it is strongly urged that such a control should now be established (paragraph 51).

(c) To ensure an effective co-ordination of the Programme, a clear and direct line of authority should run from the Secretary-General through whatever Secretariat unit may, in his opinion, be required. The Secretary-General should act, for this purpose, in his

⁹ Council resolutions 13 (III) of 21 September 1946 establishing ACC reads in part as follows:

"The Economic and Social Council,

.....
"2. Requests the Secretary-General of the United Nations to establish a standing committee of administrative officers consisting of himself, as chairman, and the corresponding officers of the specialized agencies brought into relationship with the United Nations, for the purpose of taking all appropriate steps, under the leadership of the Secretary-General, to ensure the fullest and most effective implementation of the agreements entered into between the United Nations and the specialized agencies."